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FOREIGN MINISTERS HOLD MEETING IN TEGUCIGALPA

Honduras Presents Proposal

PA010425 Panama City ACAN in Spanish 0332 GMT 1 Aug 87

[Text] Tegucigalpa, 31 Jul (ACAN-EFE) -- The Honduran Government today presented a new peace plan for Central America which includes a 6-month extension of aid to the Nicaraguan contras once any peace agreement is signed.

Honduran Foreign Minister Carlos Lopez Contreras submitted the document in the morning to the meeting of five Central American foreign ministers and the four foreign ministers of the Contadora Group that opened here today to prepare for the summit of Central American presidents scheduled to be held in Guatemala City on 6-7 August.

Lopez Contreras said his government wants to conciliate the democratization objectives embodied in Costa Rican President Oscar Arias' peace plan with national security interests, which may be negotiated within the framework of the Contadora Group (Mexico, Colombia, Venezuela, and Panama).

However, a detailed comparison of the Arias and Honduran plans demonstrates that the main difference between the two is the section relating to assistance for the contras.

The Arias plan sets deadlines for amnesty, dialogue with the internal opposition and democratization, among other things, and stresses that "simultaneously" with the signing of the document, the Central American countries will ask extraregional governments to suspend military aid to insurgent groups and irregular forces.

The Honduran proposal sets the same deadlines in the section on "democratization" but extends the assistance to insurgent forces in the area for 6 months.

In a nutshell, Honduras proposes a period of 180 days to comply with the amnesty decree and the reestablishment of rights and freedoms, after which the Central American presidents would meet again "to urge an end to the aggression and intervention in Central American states and the suspension of military assistance to insurgent and irregular forces."

After the opening session this morning, the nine foreign ministers continued their work behind closed doors and made no significant comments or statements.

The Honduran proposal caused a noticeable change in the mood of the foreign ministers, who said they were "moderately" optimistic in the morning and remained completely silent in the afternoon.

Diplomatic sources told ACAN-EFE that the Contadora Group and the Costa Rican, Nicaraguan, and Guatemalan foreign ministers reacted negatively to the Honduran proposal. The same sources said it was "cheeky" to present the proposal with so much publicity and that it could only be the result of U.S. pressures.

The proposal is unacceptable to Nicaragua because the Sandinist government has always insisted that the state of emergency will continue in Nicaragua as long as U.S. aggression continues through the aid to the contras.

Ministers Issue Communique

PA012004 Tegucigalpa Radio America in Spanish 1710 GMT 1 Aug 87

["Joint communique" issued by the Central American and Contadora Group foreign ministers in Tegucigalpa; read by Honduran Foreign Ministry adviser Ambassador Flores Bermudez -- live]

[Text] Meeting of the foreign ministers of the Central American countries and the Contadora Group.

Joint Communique

Gathered in the city of Tegucigalpa, Republic of Honduras, on 31 July and 1 August 1987, the foreign ministers of the Central American countries: Rodrigo Madrigal Nieto of Costa Rica, Ricardo Acevedo Peralta of El Salvador, Mario Quinones Amezquita of Guatemala, Miguel D'Escoto Brockman of Nicaragua, and Carlos Lopez Contreras of Honduras; and the foreign ministers of the Contadora Group: Julio Londono Paredes of Colombia, Bernardo Sepulveda Amor of Mexico, Jorge Abadia Arias of Panama, and Simon Alberto Consalvi of Venezuela proceed to examine the current Central American situation in the spirit of finding just and lasting solutions to the various problems the region is facing.

In a climate of cordiality, understanding, and constructive sincerity, they reiterated that it is fundamentally up to the Central Americans to seek and find those solutions. They also reiterated the importance of the contribution by the Contadora Group and Support Group countries by noting that the Central American crisis concerns and affects the region in general. In this spirit, they carefully examined the Arias plan, its implications and consequences.

After a fruitful exchange of opinions, it was concluded that the Central American crisis is the product of many domestic and international problems and situations; therefore, its prolongation makes it more serious each day, and it is imperative to undertake the greatest efforts to attain a prompt return to normalcy in the Central American area.

In this sense, it was made clear that the Arias plan and the Contadora Document for peace and cooperation in Central America are not mutually exclusive instruments, but on the contrary, they are instruments that complement one another. In effect, the foreign ministers agreed that the Arias plan is a valuable instrument that can specifically contribute to the solution of the gravest Central American problems.

They also reiterated the importance that they attribute to the Contadora Document as a product of a joint negotiation, considering it an overall document that includes an integral system.

The foreign ministers of El Salvador, Nicaragua, Guatemala, and Honduras formulated comments and observations to the Arias plan in an effort to clearly express concepts and determine procedures so as to make it more realistic. In this regard, the Honduran Government presented a document aimed at reconciling the provisions of that plan with those of Contadora's document and efforts.

The Costa Rican foreign minister expressed his satisfaction with all the observations that were made, and he offered to study them carefully, considering the possiblity of adopting them.

In light of what took place, the Central American foreign ministers decided to request the valuable cooperation of the Contadora Group in the task of consolidating texts in a document that will serve as a basis for the continuation of the negotiation in the meeting of Central American foreign ministers in Guatemala. Once again, the Contadora Group demonstrated its willingness to contribute to the solution of the Central American crisis, a gesture that the Central American foreign ministers amply expressed thanks.

They recognized the resolute efforts by the governments of the area in close cooperation with the office of the UN High Commissioner for Refugees [UNHCR] for the solution of the problem posed by the presence of thousands of refugees. In this framework, they were pleased to note the reports of the Nicaraguan and Honduran foreign ministers regarding the implementation of a process of voluntary repatriation of Nicaraguan refugees as well as actions that will be carried out in this field by Nicaragua and Costa Rica. The Honduran and Salvadoran foreign ministers also reported the current efforts to resolve the problem of the Salvadoran refugees in Honduras and to promote programs of voluntary repatriation. They announced that the tripartite commission that they have formed with the UNHCR will have a meeting in San Salvador at the end of the month.

Similarly, the Central American foreign ministers requested their support for a regional meeting on Central American refugees that is scheduled for next year and that will be sponsored by the UNHCR.

The area foreign ministers were pleased with the attendance of (Harry Bellevan) and (Ricardo Dishauer), representatives of the OAS and U.N. secretary generals, respectively. Their presence is a reiteration of the support those organizations have offered to the Central American peace efforts.

The Central American foreign ministers kindly invited the Contadora Group foreign ministers to another consultation meeting that will be held after the Guatemalan summit to intensify the peace process. The area foreign ministers agreed that the results of the presidential summit should be officially and immediately transmitted to the Contaodra and Support Groups' member states.

The foreign ministers of the four Central American countries and those of the Contadora Groups express their recognition to the Honduran Government for the organization of a meeting that they describe as highly valuable. They also thank the Honduran people's hospitality.

Hold News Conference

PA012348 Tegucigalpa Radio America in Spanish 1720 GMT 1 Aug 87

[News conference by Central American and Contadora Group foreign ministers' news conference with national and international reporters at the Honduras Maya Hotel in Tegucigalpa -- live]

[Text] [Carlos Lopez Contreras] Before we begin the question and answer period with the national and international reporters, we would like to reassert that the contents of the joint communique just read to you faithfully reflect what took place during these 2 days of meetings. In other words, we worked for 2 days and established a smooth and cordial working relationship between the Central American and Contadora Group foreign ministers. In fact, we have reactivated the Contadora Group's efforts to attain a peaceful, negotiated, and diplomatic solution to the Central American crisis. I would like to request that the first questions be addressed to the foreign ministers of Mexico and Venezuela because they must leave soon and will not be able to stay with us much longer. Thank you.

[Reporter] Mr Mexican Foreign Minister, General [Manuel Antonio] Noriega proposed some time ago that the military sectors participate in the peace negotiations for Central America. Do the Central American and Contadora foreign ministers agree on that?

[Sepulveda Amor] The Honduran foreign minister has kindly begun this news conference by mentioning the emphasis that the nine foreign ministers have given to the search for a political and negotiated solution that reflects a dialogue among all the interested parties. Contributions from different sources are undoubtedly welcome. You may recall that three work groups were formed when we began to draft the Contadora Document. One group handled political issues, another group handled security issues, and a third group handled social and economic cooperation issues. On that occasion the nine governments received contributions from experts on those issues. Consequently, the advisory role played by experts on different issues will undoubtedly help strengthen the contents of any peace proposal.

[Reporter] Could you explain how the sequence of the measures proposed by the Arias plan, and Honduras' proposals, was misrepresented during the negotiations? [question as heard]

[Sepulveda Amor] I have the impression that the general views on the work jointly carried out by the Contadora Group and the five Central American foreign ministers is aimed at attaining a multilateral and overall solution whose essential characteristic is its simultaneous implementation. We all hope the various pledges attained as a result of reciprocal concessions to solve the Central American crisis will be simultaneously implemented so that each part makes a contribution to attain the ultimate goal: Peace, security, and cooperation in Central America.

[Reporter] Mr Foreign Minister, how deep are the differences among the other four Central American countries' positions? Will it be possible to attain a consensus during the Guatemala City meetings, and thus make the presidents' work somehow easier?

[Sepulveda Amor] The five Central American heads of state, themselves, will be responsible for making the final decisions. They must make the final decision about the group of proposals studied in Tegucigalpa by the nine foreign ministers. I must point out that if we could predict the results of the Guatemala City meeting, based on what has taken place here in Tegucigalpa, we could be certain that it will be possible to bring together the different positions and guarantee that the Esquipulas summit will be a complete success.

[Reporter] Are the Central American and Contadora Group foreign ministers doing anything so the Reagan administration does not again prevent the signing of an agreement or peace treaty at the Esquipulas summit?

[Sepulveda Amor] I am sure the nine foreign ministers who met here are fully convinced that the voice of Latin America and Central America will be heard in the positions that Central America, the Contadora and Support Groups agree on concerning fundamental political positions, since the main problems should be exclusively settled by Latin America and Central America. Thus, the appropriate solutions will be followed in an equally honest and responsible way -- even by third states that have interests and links in the region.

[Question indistinct]

[Sepulveda Amor] The Contadora Group member countries were fully convinced the Tegucigalpa meeting would help us examine the different proposals presented by the Central American governments. I remember that the importance of these proposals has been underscored since the Buenos Aires meeting. Each Central American government established their positions concerning the Central American crisis based on their legitimate national interests. All the contributions are welcome and I think the final result is particularly positive because we managed to bring together the different views and interpretations in a unique document that will be presented to the Central American presidents during the upcoming Esquipulas summit. We have attained an overall viewpoint based on the different proposals -- which are valuable on their own but represent an even more considerable contribution as a whole.

[Reporter] Venezuelan Foreign Minister Simon Alberto Consalvi, there are groups involved in the conflict in Central America, mainly the Nicaraguan contras and the Salvadoran guerrillas. Is there a possibility that they may participate in any type of negotiation, including the one in Guatemala?

[Consalvi] Could you repeat the question?

[Reporter] I asked a few minutes ago, whether the contras and the Salvadoran guerrillas could participate in this type of negotiation, if one takes into account that they are two groups that are very much involved in the area conflicts?

[Consalvi] It is still unclear as the status in the negotiations of the irregular forces. Only heads of states will participate in the meeting in Guatemala. What you are referring to would follow as part of reconciliation and dialogue with political forces in each country. We hope dialogue will take place.

Of course, weapons must be layed down, so the dialogue may yield positive results with possibilities of effective agreements. We hope this process may begin following the Guatemala summit meeting.

[Reporter] Nicaraguan Foreign Minister D'Escoto, what is your view on the document presented by the Honduran Government? Do you believe it supports the Arias plan or do you think it is an obstacle for the plan?

[D'Escoto] Foreign Minister Carlos Lopez Contreras said the document includes the viewpoints of the Honduran Government regarding President Arias' peace plan. Honduras' views of the Arias plan were important and the position and opinions of each government were sufficiently clear on the Arias plan to allow the Contadora Group to prepare a final document of the meeting. We believe all these contributions are important and positive in helping us make this meeting a good one. I believe this meeting has been a very good one. I believe we have fulfilled the job we were to do here. We are more optimistic about a successful summit. I recall that when I arrived here, I said we were optimistic. We are pleased with all the contributions made by all the foreign ministers. Of course we are pleased with the contribution made in the discussions by the Honduran Government.

[Reporter] Contadora has met for almost 4 years, and there has been no peace agreement. Do you believe that after this meeting all ideological and political differences will be resolved?

[Abadia] I cannot hear you very well.

[Reporter] [Repeats question]

[Abadia] Excuse me if I am not very precise when answering your question, but I am not hearing you very well. I believe you are referring to the process of destabilization of all or some of the members of the Contadora Group?

[Reporter] [Words indistinct] ideological differences between El Salvador, Honduras, and Nicaragua, which are part of the conflict?

[Abadia] Of course we believe the differences can be resolved. For 4 years we have been trying to prove that it can happen. Instead of being discouraged, we have been stimulated by the progress we have made, because we believe there is a great friendship between the countries; this needs to be encouraged so any difference can be resolved through dialogue and reconciliation.

[Reporter] Mexican Foreign Minister Sepulveda, after this meeting could you name the obstacles for peace in Central America?

[Sepulveda] Instead of mentioning the obstacles, I will mention the accomplishments. I believe that at this meeting in Tegucigalpa we have made a significant effort to return to the negotiating table. The fact that we are renewing the negotiations in Tegucigalpa today is beneficial.

In the next few weeks, these negotiations will be significant because another foreign minister's meeting will be held next week in Guatemala and because there will be another Central American presidents' summit meeting that will allow for a new effort for peace and security in Central America. The fact that the political decision to negotiate has been made is a good sign that the Contadora Group's objectives can be fulfilled with the efforts of the Central American presidents.

[Reporter] [Question indistinct]

[Sepulveda] As I said in my previous answer, the fact that the four Contadora Group foreign ministers and the five Central American foreign ministers are here shows our goodwill. Even though it is the responsibility of the Central American people to solve this conflict, all Latin Americans are concerned about the problem and that is why Contadora is participating to help solve the crisis.

[Sepulveda] Contadora was asked to participate in the heads of state meeting. We are reviewing it, but I do appreciate, on behalf of Contadora, being invited to Guatemala. A final decision will be announced later.

[Reporter] Costa Rican Foreign Minister Madrigal, can the Honduran proposal be described as a bridge between the Arias plan and the Contadora Group plan?

[Madrigal] The Honduran foreign minister gave an excellent explanation this morning. He said the idea was not to present any plan to replace the Arias or Contadora plan. The idea was to propose suggested reforms to the Arias plan. We have considered that Contadora has a well-developed plan in terms of security, and once all aspects in terms of security have been approved, the Contadora has a well-developed plan in terms of security, and once all aspects in terms of security have been approved, the Contadora Group would handle it. We consider the Honduran proposal to be something very valuable that can be included in a document containing all the proposals made by the Central American presidents, which is something all foreign ministers hope to prepare for the Central American presidents' summit meeting.

[Reporter] Following this meeting in Tegucigalpa, which we are pleased with, what are your views for the coming presidential summit in Guatemala?

[D'Escoto] Well, I have already said it. I believe we have made some progress here, in the way we wanted. All Central American governments have expressed their observations and suggestions about the fine tuning or slight modifications that should be made to President Arias' peace proposal. All these have been collected by the Contadora Group and turned over to us to be analyzed at the upcoming Guatemala meeting. I believe that all of this is going to help prepare the path for a successful presidential summit in Guatemala.

[Reporter] This is a question for the Nicaraguan foreign minister. Mr D'Escoto, do you believe it would be possible to find a solution to the Central American problems without the participation, in this kind of negotiation, of the counterrevolutionary groups and the FMLN?

[D'Escoto] I believe it is not possible to find a solution to the Central American problems as long as the foreign superpower, which has been ordered by the International Court of Justice, in an unprecedented ruling, to cease military and paramilitary actions against Nicaragua, continues those actions. As long as this [ruling] is not complied with, we will continue having problems, particularly in Nicaragua. Moreover, as long as the foreign superpower continues abusing the sovereignty of other Central American nations, turning them into springboards of bases to launch aggressions against Nicaragua, these actions will inevitably generate more tensions. Therefore, I want to respond by saying that beyond the desire for peace that, as I have said, exists not only among the peoples but also governments of Central America, it is also absolutely essential and necessary that the United States agrees to modify its foreign policy according to the international rules of coexistence, which the United States should comply with as a signatory of the UN and OAS statutes as well as various bilateral agreements. This is my answer to your question.

[Reporter] This is another question for the Nicaraguan foreign minister. Concerning the statement made yesterday by Honduran President Jose Azcona, in which he stated that there should be more meetings among the foreign ministers and the presidents in addition to the coming Guatemala meeting, I want to ask you: To what extent can these meetings be fruitful if the United States and the USSR do not pull their hands out of Central America?

[D'Escoto] First of all, I want to state that dialogue is always important. However, it is obviously important for those who are holding dialogues and preparing to reach agreements to enjoy the necessary independence to make commitments and fulfill such commitments.

[Announcer] At the end of this news conference, which has ended now, [as heard] [Honduran] Foreign Minister Carlos Lopez Contreras will speak, and close the news conference.

[Lopez Contreras] [Words indistinct] To all of you, and to the media attending this news conference for the interests that you have displayed in covering this meeting, and for your patience since you had to wait for its results. I very sincerely want to tell you that I feel very pleased about the results. A positive attitude and willingness has prevailed during this meeting among all the foreign ministers and advisers participating in this event. Finally, I would like to confirm a response made by the Costa Rican Foreign Minister that said that the document presented yesterday by the Honduran Government does not seek or pursue to substitute the Arias plan or the Contadora Document. Rather it is the way the Honduran Government presented its observations to the Arias plan, which are observations not limited merely to focusing on the Arias plan because, with the observations made by the Honduran Government, it is necessary to relate the Arias plan to the Contadora Document, which is about to be completed. [as heard] It is also necessary to link it to the negotiations that give life to the Contadora Document. Therefore, it is not, as you say, a temporary plan. Indeed, it seeks to establish a linking mechanism, to make the Arias plan functional and merge it with the Contadora Document; that is, Contadora's conclusions and negotiations. Thank you very much for your attention.

[Announcer] You have just heard Foreign Minister Carlos Lopez Contreras, who has announced the conclusion of this news conference, following the Central American foreign ministers' meeting. Mr Foreign Minister! We will hear Foreign Minister Ricardo Acevedo Peralta's viewpoints and then conclude this live broadcast from the capital. Are you satisfied with the meeting, Mr Foreign Minister?

[Acevedo Peralta] [Words indistinct]

[Announcer] Oh, no problem. I will wait for you. The Salvadoran foreign minister, Ricardo Acevedo Peralta, will issue a statement and then we will talk with Father Miguel D'Escoto, who will logically have some objections to what has taken place in Tegucigalpa during the last 2 days.

[Reporter] That is correct. We will later see if we can get Father Miguel D'Escoto Brockman's statements, who says he is satisfied. Guatemalan Foreign Minister Quinones Amezquita, are you also satisfied with the meeting?

[Quinones Amezquita] Well, the other foreign ministers have aptly said that the meeting was highly fruitful. I believe we have attained more than we expected, and I believe we have chosen the right road. I think the meeting has been highly useful; and the Contadora Group's presence has been highly useful; and the Contadora Group's presence has been particularly useful, beneficial, and highly convenient.

[Reporter] Thank you very much, Dr Mario Quinonez Amezquita, for your exclusive statements to Radio America. We will now try our luck with the person who has attracted the most attention during the negotiations: Father Miguel D'Escoto Brockman. He has always issued repetitive statements about Nicaragua. Let us approach Father Miguel D'Escoto Brockman and hear what he says.

[D'Escoto Brockman] We are [words indistinct] Latin America.

[Reporter] What is the Catholic Church's current role in Nicaragua?

[D'Escoto Brockman] Well, you know very well that the church is God's people. The vast majority of the Nicaraguan people, meaning the believers, play a positive role in the defense and development of our revolutionary process, which seeks to create a climate of fraternity and justice in our country. That is why the Christians who have really pledged to defend Christ's cause and His Word represent the vanguard of our defense, and they are in all the trenches defending our revolutionary process.

[Reporter] Nevertheless, [words indistinct] the Soviet Union and the United States?

[D'Escoto Brockman] What does that have to do with this?

[Reporter] I mentioned it because we were talking about religion, and people continue to complain about violations of their religious rights in Nicaragua, Mr Foreign Minister.

[D'Escoto Brockman] Well, I do not know who has complained. I have heard President Reagan mention this but I could certainly say the Catholic Church in Nicaragua has never prospered as it does now. We could cite some examples: See how many students attend Catholic colleges. The figures have increased significantly because Catholic colleges are being subsidized by the government for the first time in our history, so that they may enlarge their capacity and accept more students. This is shown by the most serious surveys, including the more recent one, which was published last week by the Catholic Institute of International Relations in London. They have published a serious book about the human rights situation in Nicaragua, and it discusses the situation of the church. [The complaints] that you mentioned are part of the slanderous campaign launched by the Reagan administration with the clear intention of creating a false image, so the people believe they -- the criminals who have been condemned by the International Court of Justice -- are the good guys and we are taking measures to violate the Nicaraguan people's rights.

[Reporter] You mention Washington in every one of your statements.

[D'Escoto Brockman] How can we avoid mentioning Washington [laughs] when it is precisely Washington who is waging the war? That is the situation. How can we avoid talking about this? I am not the only one. How can we fail to mention that we have attained the most important ruling in the International Court of Justice's history? Basing itself on international laws, humanitarian laws, and international treaties, the court has condemned the United States' policy in an unprecedented way. How can we avoid talking about this?

[Reporter] Has President Reagan [words indistinct] church in Nicaragua? How has the President [words indistinct] the church so that it opposes Sandinism?

[D'Escoto Brockman] Manipulating the religious issue, inventing lies, and issuing slanderous reports about the issue.

[Reporter] Can you -- meaning Nicaragua -- not get rid of the United States?

[D'Escoto Brockman] [Words indistinct]

[Reporter] Can Central America get rid of the United States [words indistinct] the intervention?

[D'Escoto Brockman] I do not know what you mean when you say get rid. The United States is there and we will not make it disappear; and we do not say that it should disappear. The only true issue is that all the patriotic people in Latin America, Central American people, and the world's people in general are struggling so the United States adjusts its behavior to the norms for international coexistence which have been stated in the U.N. and OAS Charters and bilateral treaties. The United States should stop violating the laws. This is all we want. We do not want to eliminate the United States or make it disappear. I have to leave because [words indistinct] airplane.

[Announcer] That was Nicaraguan Foreign Minister Miguel D'Escoto Brockman, who has always criticized the United States. On this occasion he said he is slightly pleased, but he has also criticized Washington and the United States, which is precisely one of the fundamental and key issues in this conflict; this has always been stated during different meetings. Likewise, the foreign ministers have used this meeting to bring together the most important points of the Contadora Document and the Arias peace plan. They will obviously discuss these points during the second ministerial meeting that they will hold in Guatemala City.

[Reporter] It is appropriate to mention the security measures that are taken concerning Father Miguel D'Escoto here in Tegucigalpa, as opposed to those of the other Central American and Contadora Group foreign ministers. They will soon depart for their respective countries to prepare for the Central American presidents' summit. Salvadoran Foreign Minister Ricardo Acevedo Peralta has not left the premises yet. We will also talk with him and hear his views about the plan that was discussed in Honduras. Here is Salvadoran Foreign Minister Ricardo Acevedo Peralta.

[Acevedo Peralta, in progress] ...had exerted pressure on President Duarte so that he canceled the presidential summit. This is a lie and I am happy this was shown with facts and results. This meeting has been a complete success; we have exchanged viewpoints which will strengthen the presidential summit. Consequently, President Duarte's plan was a success and it was proven that this plan is sincere, honest, efficient, and positive. This meeting was a diplomatic victory for El Salvador. It has also been a diplomatic victory for the Honduran Foreign Ministry, which attained a complete success in its plans for and the development of this meeting.

[Question indistinct]

[Acevedo Peralta, in English] I did not hear you.

[Announcer] Please translate, Mr Foreign Minister.

[Reporter in English] What would happen to your Army if the U.S. military advisers were withdrawn and also if U.S. money, U.S. aid to your military was stopped. What would [words indistinct] to win the war?

[Acevedo Peralta, in English] That is why we are asking for a multilateral accord within the area, in which everybody would get rid of the advisers and would get rid of the support for the irregulars who are operating within our territory. If that is not possible, we have to preserve and defend our sovereignty and our state. That is why we are asking the Nicaraguans that they desist from their efforts supporting the guerrillas in El Salvador. We are threatened by an international strategy to overthrow the government and replace the legitimate government elected by the people with a government which is produced by force, by a takeover from Marxists-Leninists who are operating in El Salvador with the support of the Nicaraguans and the Soviets. That is the problem we are living in and we want to get rid of that problem. That is why we are asking, in a peace resolution from Central America, that we get rid of all international intervention in the area.

[Announcer] Mr Foreign Minister, is it true that the United States is exerting pressure so that the United States...

[Reporter, interrupting in English] That was my question. What would happen in the United States withdrew their aid from your military?

[Announcer] Well, we will wait for the Salvadoran foreign minister's statements. He will obviously have his own views about the Central American and Contadora Group foreign ministers' meetings that lasted 1 and 1/2 days in the Honduran capital. It is important to hear Foreign Minister Acevedo Peralta's own views about the [words indistinct] the conflict. Let us hear what he says.

[Acevedo Peralta] [Words Indistinct] must try to avoid restricting visas and the entrance of persons -- particularly from the United States -- to prevent these actions; and so that El Salvador is not used as a starting point for any reproachable action. The Salvadoran Government does not support this; it is not an official government policy. These things happen, it is natural but...

[Reporter] Mr Foreign Minister, does it mean arms trafficking is possible?

[Acevedo Peralta] Well, that is why we need supervision. We agreed supervision and control are necessary, effective immediately! [Words indistinct]

[Announcer] The Foreign Minister is angry now. This is Radio America. Foreign Minister Ricardo Acevedo Peralta's statements are quite colorful. Let us see what else he says. He apparently has more time to spare.

[Reporter] You know what happened? He has sternly told Miguel D'Escoto to stop interfering in Central America and with the Salvadoran guerrillas. We want to ask him about this. Mr Foreign Minister, your government has almost fallen in the past and only the Reagan administration's support prevented this. Was this support given in exchange for your allowing the contras' presence in your country?

[Acevedo Peralta] No way!

[Unidentified speaker] Five minutes more, foreign minister!

[Reporter] Please tell me about your talks with Foreign Minister D'Escoto. We heard that you told him the Sandinist government should stop meddling in El Salvador's affairs.

[Acevedo Peralta] The document clearly states this. I have told Foreign Minister D'Escoto that Nicaragua must issue a statement at national and international levels stating that it no longer supports the FMLN-FDR. I have told him that we feel it is necessary for the Supervisory and Control Comission to ascertain if Nicaragua has expelled the logistic, human, and public relations bases that the FMLN has there -- and we are aware of this. If Nicaragua does this, it will prove that it has the political willingness to attain peace and democracy in Central America. If Nicaragua also lets us ascertain its democratization process -- in which it must respect all human, individual, and social rights -- then we will take a great step forward in the peace efforts. Peace will not be attained in Central America as long as Nicaragua does not allow supervision of its democratic process, and as long as Nicaragua continues to destabilize El Salvador.

HAITI

VIOLENCE CONTINUES; ARMED FORCES ISSUES STATEMENT

FL312053 Port-au-Prince Domestic Service in Creole 1300 GMT 31 Jul 87

[Text] We have a press statement from the General Headquarters of the Haitian Armed Forces:

The General Headquarters of the Haitian Armed Forces [FADH] advises that according to reports it has received from the unit commanders responsible for maintaining order, the Wednesday, 29 July demonstration organized by Mr Sylvio Claude began normally, in a calm atmosphere and under the protection of security forces. This was confirmed in a television interview with Sylvio Claude the march's organizer. He even said that at one point, he left the front of the demonstration and went to the back of the column.

When the demonstrators reached the Telecommunications d'Haiti [Teleco] building area, on Rue Pavee -- where four soldiers were stationed on the elevated sidewalk outside, guarding the building -- some demonstrators, who were not under the control of the organizers of the march, tried to overrun the Teleco building and others attacked the soldiers in an attempt to disarm them despite the intervention of one of the march's leaders. At the same time, some armed demonstrators began firing. The crowd prevented reinforcements from restoring order. One of the soldiers was hit by a rock; that is why the security forces reacted and used their weapons.

During that same demonstration, the Banque Nationale de Credit, which is on the Rue des Miracles, was hit by a volley of rocks and one of the bank's directors was injured in the incident.

On Tuesday, 28 July, during a march some demonstrators attacked stores on Rue du Centre, which they tried to damage and loot.

The FADH General Headquarters press statement continues: The list of provocations against peaceful citizens and members of the Haitian Armed Forces is very long. Last week, on Ave Populard, Col (Phenelon Guerrier), retired, was attacked and his weapon taken. Col (Albert Chapizep) of the Health Department was seriously wounded in his car at Portail Saint Joseph as he went about his business. On 27 July, Corporal Benjamin Dieufort, No 36616 FADH from the district of Hinche, who was in Port-au-Prince on official business was stabbed at Portail Saint Joseph and had his rifle taken. Elsewhere, individuals have been masquerading as journalists, circulating with cameras around their necks and bags full of rocks on their backs. Others are circulating in cars marked press. These individuals are armed; they shoot at demonstrators and at other cars so that they can blame these acts on the FADH.

The General Headquarters greatly regrets these incidents, which have been the cause of death among the population, and it puts public opinion on its guard against terrorists who wish to create disorder and anarchy in Haiti. Some of them were trained in Cuba and returned to Haiti by posing as boat people. Now they are in Haiti using weapons brought into the country clandestinely or hidden inside bags of rice imported from abroad.

There are some irresponsible leaders waging a campaign to get the population to revolt against its Army. They are not successful, because the Army remains vigilant. It is standing its ground and remains at the service of the people. Those leaders have even appealed to the people to revolt, so the same events that occurred on 25 May 1957 can occur again. They are trying to shatter the unity of the FADH, which has already expressed its complete support for the National Government Council and for the Provisional Electoral Council, so free and honest elections can be held. The General Headquarters of the FADH puts all citizens on their guard against those so-called leaders, who, once they lose control over incidents they themselves have provoked, escape in one way or another, leaving their partisans by the wayside.

It again exhorts political leaders, parents, people that others look up to, members of the press, and the Haitian people as a whole to find the understanding and ability to transcend themselves. That is necessary so they may resume their activities for the well-being of this country, which belongs to us all.

The statement is signed by Gary Leon, Colonel, FADH, Acting Adjutant General.

Blames Cuban-Trained Persons

PA311946 Paris AFP in Spanish 1646 GMT 31 Jul 87

[Text] Port-au-Prince, 31 Jul (AFP) -- The call to a general strike "until further notice" made by the Haitian opposition to the National Government Council (CNG) has been widely followed in Port-au-Prince.

Meanwhile, it was not fully supported in the interior of the country, especially in the northern regions, where the situation was normal in Cap-Haitien and Gonaives.

In Port-au-Prince, where the people are showing signs of weariness, buses did not circulate. However, there were more cars and pedestrians compared with the previous days.

In Cap-Haitien, (second leading city in Haiti, located 260 km from the capital) and Gonaives (fourth largest city, located 152 km from the capital), the situation was normal, and the same can be said of Saint Marc, 98 km north of Port-au-Prince.

Meanwhile, in the southern part of the country the strike called by the Committee of 57 (political organizations and groups) that is demanding the ouster of the CNG and its replacement by a "democratic alternative," was widely supported, especially in the city of les Cayes, the country's third largest city, located 200 km southwest of the capital.

The General Headquarters of the Haitian Armed Forces blamed the violence of the past few days on "individuals trained in Cuba who pass as "boat people" (Haitians who leave the island on dilapidated boats to travel to the United States) and are deported."

According to the Armed Forces communique, those people "use arms smuggled into certain parts of the country or concealed in sacks of rice from abroad."

The military communique also pointed out the presence of "individuals who pass for reporters." Some of these individuals drive around in vehicles bearing a "press" sign and, the communique states, "they carry firearms and fire on demonstrators and other vehicles in order to be able to blame the Haitian Armed Forces for these actions later.

Regarding the recent "acts of provocation" the communique cites the case of a retired colonel who was attacked and had his weapons stolen, and the case of a corporal "stabbed in the back," and whose weapon was stolen also.

Regarding the incident last Wednesday, which resulted in 8 deaths and 15 wounded, the communique states "some demonstrators who were not controlled by the organizers tried to invade the Haitian telecommunications installations, while others approached the soldiers with the obvious intention of disarming them."

"Meanwhile, some demonstrators began firing," the communique states, adding that one of the soldiers was hit by a stone "thus forcing a reaction from the Army, which has to use its weapons."

Nevertheless, this version of the incidents contradicts that of several witnesses at the site of the events, among whom were Haitian and foreign reporters, mostly from the U.S. television network CBS, which broadcast a film of the incident.

Meanwhile, the directors of six of the country's leading private and religious radio stations, which were machinegunned by armed individuals on the night of 29 July, sent a protest letter to Colonel Carl Michel Nicolas, acting chief of staff of the Armed Forces, demanding that he adopt "immediate measures to detain the guilty parties, whoever they may be, and present them to the authorities publicly."

"Those actions were perpetrated, according to witnesses, by soldiers in uniform," the letter stated, and "these actions are even more serious because they were preceded by a series of intimidating actions and attacks on the national and international press."

In this regard, the signees of the document cite the machinegunning of the vehicle of Haitian newsman Cadet Agenor from the newspaper LE MIROIR, and the injuries inflicted on Gary Fevry of Haitian magazine PROGRESS, Wilson Briseau (Radio Rainbow) [Radio Arco Iris], and Lys Pierre Louis, an independent photographer.

The signees also point out that members of the foreign press were attacked, as in the case of Manuel Alvarez of CBS, Andre Deneuville of Radio Campus (France), and that AFP was threatened.

They also pointed out that the soldiers went to hotels to seize the work of some foreign correspondents.

According to reports received from AFP, the soldiers were especially looking for the videotape of the incident in which the soldiers fired at demonstrators, scenes filmed and broadcast by the U.S. network CBS.

Details on Shooting 'Incident'

PA011950 Paris AFP in Spanish 1907 GMT 1 Aug 87

[Text] Port-au-Prince, 1 Aug (AFP) -- Three people were killed and an undetermined number of people were wounded today by gunshots fired by soldiers, while another person was seriously injured in the head by rocks hurled by angry youths during an incident that broke out in downtown Port-au-Prince, eyewitnesses have said.

The incident broke out when trucks belonging to the Port-au-Prince municipal authority -- which customarily transport poor people's bodies from the General Hospital -- were surrounded by youths who accused the drivers of transporting the bodies of demonstrators who had been arrested or killed by the Army over the past several days. One of the drivers was seriously injured in the head by angry youths who hurled rocks, while other youths busied themselves burning another truck. Then a truck with approximately 20 soldiers from a nearby garrison arrived. Its occupants hurled tear gas canisters into the crowd and arrested at least six youths, as witnessed by two AFP reporters.

Port-au-Prince Mayor Mrs Frank Paul then arrived at the site and told the Haitian and foreign newsmen that these bodies were only "poor people's corpses" from the capital's General Hospital, "which are transported by the municipal authority on a weekly basis." She then authorized the members of the local and foreign press, including AFP, to photograph and film the bodies, while she asked the soldiers to move back.

The bodies seen by the two AFP reporters appeared to be those of paupers -- approximately 12 of them, including several infants -- which exuded an unbearable stench and were surrounded by flies. Very primitive gray wooden coffins were also seen.

The occupants of a truck with soldiers which approached at full speed the second municipal vehicle that was being burned, strafed the air several times with automatic weapons before wounding -- according to eyewitnesses -- several people, who were taken to the Port-au-Prince General Hospital. To many observers, the incident underscored the extreme sensibility the people feel regarding the problem of the civilian victims of the past several days and the extreme nervousness affecting the security forces.

JAMAICA

MAYORS, COUNCILMEN PROTEST GOVERNMENT NEGLECT

FL310137 Bridgetown CANA in English 1929 GMT 30 Jul 87

[Text] Kingston, Jamaica, July 30, CANA -- Opposition People's National Party (PNP) mayors and councillors of 12 of the islands 13 parish councils demonstrated here yesterday on the first anniversary of the local government poll in which the PNP whipped the ruling Jamaica Labour Party (JLP). The demonstration, to voice concern about the government's alleged neglect of parish councils, preceded a PNP public meeting marked by the first major political appearance of party leader Michael Manley since he underwent surgery.

Mayors and councillors bearing placards converged on the ministry of local government's office declaring that one year since the PNP's landslide at the municipal polls they had still not been recognized by the government. Ralph Brown, chairman of the Kingston and St Andrew Corporation (KSAC), the city's municipal body, said: We are not consulted. Nobody listens to us. We are not recognized. We have no say.

He said that they were displeased with the minister of local government and the entire government as they had written to the prime minister and nothing had been done.

ARIAS RELATES PEACE PLAN TO ARMS BUILDUP

PA021431 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 29 Jul 87

[Passages within quotation marks recorded]

[Text] In an exclusive interview with the "Here's the World" newscast, Costa Rican President Oscar Arias explained some aspects of his plan dealing with the arms buildup in the region. The president said this is the most complex and difficult issue:

[Arias] "Costa Rica's peace plan states that a freeze in the arms buildup is necessary. Perhaps because it is such a complex issue and makes agreement difficult, we might not have given it the importance it deserves. I think that perhaps if we progress in the other areas of our peace proposal, this issue could be left to be addressed in a much more detailed manner with Contadora. Throughout the more than 4 years that Contadora has been active, this issue has been the subject of lengthy negotiations in the many meetings Contadora has held with the Central American foreign ministers. The Guatemalan Government contributed the most to the efforts to reach a disarmament solution that would satisfy all the Central American countries."

Arias said that steps toward disarmament in the region would be supervised by the Contadora and Support Groups, and the UN and OAS secretaries general.

[Arias] "What would come afterward would be the very important task of verification, of implementing what is agreed upon, and of obtaining good faith and willingness to achieve this. If you observe the superpowers, the United States and the Soviet Union, you will see there has been a lack of willingness to disarm. One of the most difficult aspects in negotiating is [words indistinct] the two countries will agree to disarmament. Nuclear disarmament is difficult, but disarmament of conventional weapons is even more difficult to achieve. This is a very complex task, which we have basically turned over to the Contadora and Support Groups and the UN and OAS secretaries general. They would form a follow-up committee that would be in charge of verifying that the signed agreements are respected. I think this is a crucial phase in the achievement of peace in Central America. It is not just a matter of reaching agreements but of fulfilling them."

Referring to interference by other countries in Central America and its relationship with the arms buildup, Arias issued a call to insurgent forces to stop actions to obtain power by force.

[Arias] "If we reach an agreement that will lead us to a cease-fire and peace in Central America, aid for the insurgent forces must be stopped [words indistinct]. The follow-up committee would verify that the Nicaraguan contras would give up aid received from the United States and the Salvadoran guerrillas would give up aid received from Cuba and Moscow. Therefore, good faith is not only required from the governments but also from the insurgent forces that have opted for a military path to achieve power. They must stop receiving military aid. They must accept the rules of the game that representative democracy establishes and seek power through ballot boxes rather than rifles and submachineguns."

FMLN-FDR LETTER TO REGIONAL PRESIDENTS

PA010119 (Clandestine) Radio Venceremos in Spanish to El Salvador 2300 GMT 31 Jul 87

[Open letter from the FMLN and FDR to the presidents of Nicaragua, Costa Rica, Guatemala, and Honduras dated 31 July]

[Text] Honorable Messrs Presidents:

The crisis affecting the Central American countries threatens to take on the characteristics of a widespread conflict that would bring further deaths and suffering to our peoples without benefiting our national interests. In view of this, the upcoming meeting of Central American presidents is of great importance and represents a great responsibility to you because of the concrete results our nations are demanding regarding detente and regional peace.

The FDR and FMLN feel the conflicts in Central America are strictly of a local nature and must be resolved by ourselves in the framework of the principles of self-determination and nonintervention. However, they are also Central American, Latin American, and international in scope that leaves room for international initiatives, mainly by the Contadora and Support Groups.

Unfortunately, all local and international efforts constantly clash with the Reagan administration, which is the biggest negative factor in the worsening of this crisis, introducing, on the one hand, elements posing a serious risk to peace and, on the other, hampering and stifling the development of initiatives that could bring, through their evolution, positive progress toward peace.

The U.S. Administration has set off an arms race spiral in El Salvador and Honduras and organized mercenary forces to attack and to destabilize Nicaragua, thereby affecting not only Nicaragua, as the direct target of attacks, but the countries which the imperialistic arrogance implicates in these actions, because the mercenary bands (?based in them) have become the source of a great political, economic, and social distortion.

The Reagan administration is intensifying the war in El Salvador and blocking any possibility of understanding among the Central American countries. On the contrary, beginning in 1981 the FDR and the FMLN of El Salvador have presented several initiatives to promote a political settlement in our country.

It is necessary to note, however, that any political effort must be objectively based on an overall assessment of our problems and take into account the specific nature of the causes and dynamics of the crisis in each one of our countries and avoid false analogies or standardizations.

In this regard, we bring to the attention of the honorable presidents, the open letter addressed to them on 3 July by highly qualified and broadly representative Salvadoran organizations and institutions like the Jose Simeon Canas Catholic University; the University of El Salvador; the General Association of Public and Municipal Employees, AGEPYM; the Central Organization of Salvadoran Workers, CTS; the National Union of Salvadoran Workers, UNTS; the National Council of Salvadoran businessmen, CONAES; and the Social Democratic Party [words indistinct].

They assert the following:

Although the Arias plan contains many positive features, it must take into account the deep diversity of the armed struggles taking place in the region. This is (?important) to resolve the conflict in El Salvador. The problem does not lie in establishing a dialogue with the [words indistinct] groups like the FMLN. The FMLN is fundamentally an (?indigenous) phenomenon which has not been [word indistinct] outside, does not have its military rearguard outside the Salvadoran border, and, fundamentally, gets its own supplies and draws its strength autonomously within El Salvador. This has been acknowledged lately by the Salvadoran ultraright wing and even in a ruling of the [words indistinct] tribunal. Furthermore, a dialogue has been established between te government and the FMLN-FDR on three different occasions, with relative success in two of them. Therefore, the failure to explicitly advocate this dialogue or the setting of prior conditions that are not realistic and not objectively in tune with the [words indistinct] the FMLN's presence or to present [words indistinct] would entail a retrogression.

Messrs Presidents, a resolution of the Salvadoran conflict is necessary to detente in the Central American area. For this reason, we appreciate your efforts to promote a Salvadoran solution among Salvadorans. However, it must be admitted that there cannot be a solution in our country without the FMLN's and the FDR's participation.

However, we are concerned the Salvadoran Government is demonstrating a negative attitude of complete alignment with the policies of the Reagan administration regarding the resumption of dialogue with our fronts and your position regarding the initiatives of the Contadora Group and the Arias plan. It is worth pointing out some aspects that clearly indicate this alignment and subservience:

1. The summit scheduled for 25-26 June was postponed because of a demand from President Duarte following a hasty meeting with Philip Habib, President's Reagan's envoy.

2. Following the postponement, President Duarte made many statements predicting confrontations and a failure of the summit. Duarte is determined to (?thwart) this effort in advance.

3. The Salvadoran Government has set obstacles to the efforts of the Contadora Group, completely concurring with objections with the Reagan administration has publicly raised against this Latin American initiative.

4. The Salvadoran Ilopango Airport, has been used to provide supplies to the Somozist contras during the entire period in which the Reagan administration has provided assistance to the mercenaries.

5. The involvement of the Salvadoran Government and Army in the dirty Iran-contra scandal has been amply disclosed by U.S. newspapers and during the hearings in the U.S. Congress.

6. Recently, a delegation of Salvadoran officers headed by General Blandon, chief of the Salvadoran Army General Staff, made efforts in Washington to obtain modern and sophisticated aircraft over and above the already substantial military aid. Since the requested increase extends beyond the Army's real needs in its war against our people, this can only be regarded as a response to the increase in the Honduran Army's aerial means [words indistinct] over and above any Central American country.

7. The Duarte administration has systematically turned down all of our proposals for a political settlement and has thus far rejected with ambiguous statements our most recent proposal to humanize the conflict, to ease its economic impact, and to give continuity to the process of dialogue. With his behavior, President Duarte shows us that the disguised subservience and blind obedience work against our real interests and are an obstacle to peace.

We trust that the interests of our people will be present at the summit you will hold during the next few days. Messrs Presidents, we submit this position and these points of view to you with most sincere intentions and in line with the people's genuine aspirations.

[Signed] Guillermo Manuel Ungo, president of the FDR

[Signed] Shafick Jorge Handal, for the FMLN General Command

[Dated] 31 Jul 1987

VENCEREMOS CITES FMLN ACTIVITY 19-25 JUL

PA302249 (Clandestine) Radio Venceremos in Spanish to El Salvador 2300 GMT 26 Jul 87

[Text] Radio Venceremos gives the following military weekly report for the week of 19-25 July. Attention, during the week the FMLN has caused the Duartist army 201 casualties, repeat 201 casualties. We have ambushed 25 military trucks and have confiscated the following war materiel: 6 G3 rifles, 2 M16 rifles, 1 .22 cal rifle, many .38 cal revolvers, 8.200 7.62-mm cartridges, and 1,000 5.56-mm cartridges. We also damaged a UH-1H helicopter. In the various ambushes on the country's road we destroyed or partially destroyed 14 military trucks. The FMLN also partially destroyed a Cavalry Regiment's armoured vehicle. Other sabotage activities include the action against the Alponga bridge on the road to the coast in San Juan Nonualco, La Paz department and the destruction of the bridge over the San Jacinto river, a few kilometers north of Santa Ana. We also blew up 19 electrical towers, 2 high tension towers, and 1 telephone box. Also included in the sabotage activities was the destruction of the government's Radio El Salvador relay station in Tempisque, Cabanas department. The ANTEL [National Telecommunications Administration] offices in El Cuco were also sabotaged. There is another report of sabotage in the Jucuapa takeover that includes the sabotage of the ANTEL offices and the Mayor's Office in Jucuapa, Usulutan Department.

U.S. PILOT, PANAMANIAN KILLED IN PLANE CRASH

PA010249 Paris AFP in Spanish 1954 GMT 31 Jul 87

[Text] Guatemala City, 31 Jul (AFP) -- A North American and one Panamanian were killed today when the "Lear Jet 24" they were flying from Omar Torrijos Airport in Panama City crashed in a wooded area in the Guatemalan village of Fraijanes, 17 km east of this capital.

The dead were identified as pilot Van Hess Harvey, 41, a U.S. citizen, and copilot Laurencio Conte Oro, 36, a Panamanian citizen.

The remains of the U.S.-registered plane N 28 ST, with a cargo of commercial mail packages of the DHL Courier Company from the United States, were scattered over an area of 150 meters.

Civil Aeronautics technicians who arrived at the site reported that moments before the crash, the two crew members contacted the control tower at La Aurora airport in the Guatemalan capital for permission to land. The cause of the accident, which happened at 1000 (1600 GMT), remains unknown.

GOVERNMENT ANSWERS URNG PROPOSAL FOR TALKS

PA302157 Guatemala City EL GRAFICO in Spanish 29 Jul 87 p 3

[Text] Claudia Arenas, public relations secretary of the Guatemalan Presidency, announced last night that the government is willing to talk with the guerrillas as long as such talks are held within the legal framework in the same manner as it has talked with the other sectors of the country.

In a statement, she said: Just as we talk with other Guatemalan sectors and organizations, we are willing to talk with the organizations that in some way did not operate within the legal framework in the past.

The idea of democratization and Guatemala's democratic position is precisely that all the groups wanting to participate in Guatemalan democracy do so within the legal framework. Within this policy, the government is willing to hold talks to learn about those groups' desire to participate in Guatemala's political life within the legal framework. When we speak of democracy and political pluralism, we are speaking about a peaceful path and a political initiative within a legal framework rather than a violent framework within which a solution is sought through weapons.

Therefore, within that peaceful and legal framework, President Cerezo is willing to hold talks just as he has done with other Guatemalan groups and sectors which have expressed their desire to talk.

In this way, Claudia Arenas replied to the proposal by the URNG guerrillas who, in Managua, expressed their willingness to talk with Vinicio Cerezo's Christian Democratic government as the first phase of a national dialogue involving all the country's political and social forces.

AZCONA CALLS NICARAGUA MAIN 'OBSTACLE' TO PEACE

PA312152 Panama City ACAN in Spanish 0213 GMT 23 Jul 87

[Excerpts] Tegucigalpa, 26 Jul (ACAN-EFE) -- Honduran President Jose Azcona Hoyo expressed skepticism about achieving peace in Central America during the "summit" of area presidents scheduled for 6-7 August in Guatemala.

Azcona, who returned from the United States yesterday, where he underwent medical treatment, told ACAN-EFE that he continues to be "a little pessimistic" and that an agreement will be reached in Guatemala, but "I believe that if peace is not achieved in that meeting, we should hold more meetings."

He added that the Nicaraguan Government "must gradually understand that it must start making political openings in its country to have a greater possibility for internal reconciliation, and peace in Central America can stem from that."

To Azcona, the main obstacle for peace in isthmus is that Nicaragua does not agree to an internal reconciliation. [passage omitted]

Azcona said the most important aspect of the Arias plan is "the people's reconciliation in the countries with internal problems."

"Honduras will not be an obstacle to achieving peace because no one is shooting anyone here. We have a civic opposition and democracy continues working with the problems inherent in any incipient democracy. Therefore, we have absolutely no reason to oppose a political solution to the Central American problem," he explained.

He said he does not know why President Arias has stated that his peace plan is being "torpedoed." "He is very cautious person and, if he is right, we should not feel that he is referring to us. We will never torpedo the Guatemala meeting." [passage omitted]

DEFENSE MINISTER ON DEMAND FOR NEW EQUIPMENT

PA020244 Managua Domestic Service in Spanish 1800 GMT 1 Aug 87

[News conference by Defense Minister Humberto Ortega with unidentified reporters at the National Aviation Technical school in Los Brasiles on 1 August -- recorded]

[Text] [Ortega] Nicaragua has the legitimate right to defend itself and is entitled to get all the support it can. So, we have not given up the opportunity to get MIG's or similar types of planes. Until now the Americans have threatened to take measures against us. We have however, given up our right to obtain this equipment.

[Reporter] General, if Honduras gets the F-5 [words indistinct]?

[Ortega] I think the most important thing is that [word indistinct] the mercenary war with Reagan's forces, as the war against us continues, and as the F-5 planes become available to Honduras, Nicaragua's demand to obtain more equipment will be justified.

[Reporter] [Passage indistinct]

[Ortega] We have had difficulty in obtaining the equipment because of economic reasons. Economic resources could allow us to build more landing strips [words indistinct]. However, we are overcoming these difficulties. [end recording]

MINISTRY REJECTS U.S. VERSION OF EMBASSY INCIDENT

PA311348 Managua Radio Sandino in Spanish 1249 GMT 31 Jul 87

[Text] Nicaragua has rejected the State Department version of the incident that took place at the U.S. Embassy in Managua on 28 July. A letter from the Nicaraguan Foreign Ministry stated that the show of concern by the United States in nothing but a clumsy manipulation of the incident aiming to discredit Nicaragua's image and to continue the brutal aggression against the country. The ministry also said the United States is thus worsening its actions in violation of international law.

The communique stated that the stance by the U.S. State Department is tantamount to asking Nicaragua not to abide by the terms of the Vienna agreement on diplomatic relations. The communique added that Article 22, Paragraph 2 of this agreement urges the adoption of all appropriate means to protect the embassy building from any intrusion or damage, and that this compels Nicaraguan authorities to prevent the entry of unauthorized persons into diplomatic missions.

The U.S. State Department protested to the Nicaraguan Government and the OAS over an alleged flagrant violation of the inviolability of diplomatic property and asked that the police officer be punished.

6TH ANNIVERSARY OF TORRIJOS' DEATH OBSERVED

Defense Forces' Statement

PA311456 Panama City MATUTINO in Spanish 31 Jul 87 pp 1, 14

[Statement issued on 31 July by the Panama Defense Forces on the 6th anniversary of the death of General Omar Torrijos]

[Text] On the 6th anniversary of the lamentable death of General Omar Torrijos Herrera, the Defense Forces are today more than ever deeply united and identified with the professional, nationalist, patriotic, and popular ideology that the late commander and leader bequeathed to us.

Gen Omar Torrijos Herrera designed and directed the Panamanian Armed Forces in accordance with its own characteristics, different from any foreign model and based on permanent service to the highest and dearest interests of the Panamanian nation.

His always positive, optimistic, and generous beliefs about the material and spiritual potential of the Panamanian men, women, and youths in forging a great sovereign, free, and definitely independent fatherland took shape with the enormous national struggle that culminated in the Torrijos-Carter Panama Canal Treaties, the 10th anniversary of which we are also celebrating this year.

The Defense Forces again reaffirm their unlimited respect for the Constitution and the laws of the Republic; their institutional support, without reservation, of the legitimately established civilian powers that are currently managing the country's political, administrative, economic, social, judicial, and legislative affairs; and their oath and commitment to contribute to the full development of a real and effective democracy, with the deepest sense of justice and for genuinely popular demands.

The Defense Forces are fully aware of their strictly professional and technical obligations as established by the Constitution and the national laws, and by the provisions of their organizational bylaws. Our institution is currently involved in the fundamental task of perfecting at all levels the quality and content of its professional and technical structures with the highest objective set for 31 December 1999, when the Republic of Panama will assume exclusive responsibility for the defense and protection of the Panama Canal. However, the essentially professional nature of the Defense Forces will not lead them to abandon their humanist and developmental doctrine at the service of the Panamanian people, which Gen Torrijos' sensible beliefs instilled within them.

The Defense Forces have the responsibility and the duty, under the mandate of the civilian authorities, to ensure that peace, harmony, and mutual respect will prevail for all Panamanians, above petty or excessive political and economic ambitions. The Defense Forces will continue faithfully and completely to fulfill that responsibility and that duty. Panama will not be part of the Central American fratricidal wars.

It is undeniable -- because history is alive and present -- that through the negotiations of the new Torrijos-Carter Canal Treaties, the Panamanian Armed Forces, for the first and definite time, acquired a clear idea of their participation alongside the Panamanian people in the national and patriotic struggle for the canal. That concept also gives the Defense Forces the responsibility and the duty to defend and safeguard the sovereignty, independence, and territorial integrity of the Republic of Panama against any type or form of foreign intervention.

Inspired by the nationalism that Gen Torrijos instilled within them, the Defense Forces will continue supporting the patriotic efforts of the constitutional government, honorably headed by President Eric Arturo Delvalle, in leading the honorable and independent Panamanian international policy to prevent any foreign power or institution -- whatever it may be -- from trying to lay down rules to the Panamanians about the way that they should carry out their strictly domestic affairs.

For the revered memory of Gen Omar Torrijos Herrera, the Defense Forces wishes to use this date of solemn remembrance of a noble and generous man such as he to issue a plea with the highest Christian and devout content so all Panamanians, without distinctions of any kind, will unite as brothers to lead the fatherland on the paths of peace, harmony, concord, and progress.

Legislator's Speech

PA311944 Panama City Domestic Service in Spanish 1643 GMT 31 Jul 87

[Speech by Legislator Alfredo Oranges "on behalf of the Democratic Revolutionary Party [PRD]," during the rally in Panama City commemorating the anniversary of General Omar Torrijos' death -- live]

[Text] Your Excellency Eric Arturo Delvalle, president of the Republic; Mr Ovidio Diaz, president of the Legislative Assembly; Mrs Marisol Reyes de Vasquez, president of the Supreme Court of Justice; Minister of State; General Manuel Antonio Noriega, commander in chief [of the Panama Defense Forces]; fellow legislators; presidents of political parties of UNADE [National Democratic Alliance]; fellow countrymen:

These people have come here today after waging war in the streets; a political battle characterized by patriotism and love of peace. As long as these people and the UNADE remain united, there will be no domestic or foreign seditious force capable of crushing us. Today, before this House of Memories [reference to 50th Street house Torrijos used for meetings], which is a Panamanian historical landmark that symbolizes the man Omar of Santiago, Panama, and the world, I bring you this inspiration:

First, I say that in our hearts, Panama rejects foreign intervention wherever it may come from. We want to make clear that the Panamanian people have no calling to be slaves and that their heads are not lowered. U.S. political blindness has been unjust toward this small nation for more than 80 years. These attacks are watched by all of the world's free nations. We warn that as during Torrijos' time, they will come to our aid! The challenge posed by the world's most powerful nation must be met with courage and dignity. That is why we urge the people to say: In every hand a flag, and each heart a trench! [applause]

However, we tell the international press and the United States, where a sector of its government is conspiring against ours, that, transcending that passion they have unleashed with the coordination of those who whine in the Senate halls and kneel on the Congress' steps, the manifest destiny of these two nations -- Panama and the United States -- is marked by the responsibility both countries have to administer an asset of humanity and the world. Therefore, those who at home and abroad ride on this wave of fleeting passion inspired by those I have denounced will succumb before the history of reality. It is up to that great nation to make the necessary corrections, because the Panamanian people and free peoples of the world are observing them and will be their permanent judges. [applause]

Let us make an anthem of truth and we will be building the best society. There are serious people and groups that have distorted the truth. We go out in motorcades, and they attack us. They go out in motorcades, and we do not attack them. There are some newspapers that have turned into urban guerrillas. There is clamor for freedom, but freedom to destroy the institutions; and the institutions have to continue after us and our children. Let freedom be for all and with order.

This Christian country asks God with energy, love, and dedication that his name not be invoked to praise subversion. Let God's name be invoked to praise peace. Peace is not bought. Peace is given. Peace is our love for the fatherland where we were born, land of our fathers, and land that is and should be of all our children.

All of those who hold a government position must know that they work for a government with a social orientation toward the great majorities and that their work must be increasingly crystal clear and honest. In order not to further worsen the people's intense economic crisis, the government has not resorted to mass dismissals, as it is being pressured to do. That is why, Mr President, you have a commitment to take the rectification measures, and that is why the social security reforms cannot pass. [applause] The prices of the family food basket have to be revised. [applause] Mr President, our foreign policy has to be revised, and we must freely pick our friends and our enemies. [applause]

When we say that we pick our friends and our enemies, we are sending a message to the person who has clearly identified himself with subversion in this country, the person who has clearly stated he does not want to send adequate information to the State Department about the real Panamanian situation. We tell Mr [John] Maisto [deputy chief of the U.S. Embassy In Panama] it would be better for peace in our homeland if he would just pack up and leave. [applause; crowd chants: "Let him go"] Let Maisto go! [Oranges repeats chant, and crowd joins in]

It is advisable to point out that there is a campaign aimed at... [changes thought] peasants, laborers, students, and Indians, listen: You should all know there is a campaign launched from abroad aimed at transferring the Panamanian financial center to Miami. We built this international financial center.

Although this is a revolution of the poor for the poor, Torrijos respected private enterprise and gave it all facilities to incorporate itself as a fundamental element in this country's development. We say that the financial center will not be taken over; we say that there will be no nationalization of the financial and banking center, and much less of private enterprise, which is an essential engine of this country's developments.

The time for harmony and tolerance has come; we are making a call for peace; we call on all our Catholic and Evangelical churches, because we do not want be another country hit by violence in Central America. We call on mothers, who have occasionally also performed the role of fathers, those mothers, who lull tender Panamanian babies, to unite efforts beginning today -- when the people are expressing unrestricted support to the institutions represented by the president of the Republic, the Legislative Assembly, the Supreme Court of Justice, and the guarantors of public order headed by General Noriega -- to put a prudent stop to this, to put your hearts into this action. We make a call to dialogue and Christian reflection. Let us invoke the name of God for the sake of peace, not subversion.

As a responsible leader, I say that these people today take an oath before Torrijos, in this House of Memories, knowing that his permanent presence is guiding the hearts of thousands of Panamanians from all parts of the Republic.

For the water reaching many points of this country today; for the electricity illuminating a child, who represents hope for the fatherland, who is studying in Chiriqui, in Churruquita Grande; for the memory of a man who planted Panamanian flags, which are seeds of a fatherland living in peace; and for the man who managed to recover sovereignty, waters, and reclaimed sovereignty -- let us Torrijists and all these people walk toward Ancon Hill and from there ascend to heaven to meet with him who is awaiting us and give him a patriotic military salute.

Thank you very much.

DIAZ HERRERA'S CHARGES REPORTEDLY NOT REITERATED

PA020300 Paris AFP in Spanish 0000 GMT 2 Aug 87

[Text] Panama City, 1 Aug (AFP) -- Colonel Roberto Diaz Herrera, 49, former second in command in the Army [as received] did not reiterate his charges against Panamanian strong man General Manuel Antonio Noriega of corruption, electoral fraud, and complicity in assassinations, which sparked the current political crisis in this country.

In his testimony, which was made public in this capital today, before Assistant District Attorney Rafael Guerrero on Monday, 27 July, the same day as his arrest, Diaz "did not reiterate" the charges that he made 2 months ago against Noriega, according to photocopies of the document to which the press had access.

On the alleged participation of Noriega in an electoral fraud in 1984, the colonel said that "at no time was there mention of fraud," and at the same time exonerated the Defense Forces of participation in such an act.

The former member of the Defense Forces High Command did not reiterate any of the charges against Noriega, noting he did not have evidence and that when he made the statements he based them on opposition newspapers.

Regarding the assassination of Hugo Spadafora -- who before his death had also accused Noriega of corruption and other crimes -- Diaz Herrera said that at the time he gave statements to various news media based on the charges made by Spadafora family regarding the death.

The Spadafora family claims that the mastermind of the Spadafora crime was the Panama Defense Forces commander.

The 7-page testimony given to the District Attorney's office is signed by Assistant District Attorney Rafael Guerrero and Diaz Herrera himself.

The until recent number two man in the Panamanian Army [as received] now faces the possibility of being sentenced to 15 years in prison for slander and the illegal possession of weapons.

U.S. AMBASSADOR PUTS ON 'GUISE OF AN EMPEROR'

PA011303 Panama City MATUTINO in Spanish 31 Jul 87 p 7

["Place for Opinions" column; commentary by Mireya Hernandez]

[Text] The things that occur in Panama would certainly not take place elsewhere in the world. Thus, it is better to take the disrespectful note sent by U.S. Ambassador to Panama Arthur Davis as the result of a moment of insanity.

As a LA ESTRELLA DE PANAMA editorial noted, Mr Davis' attitude has not "generated surprise," because on several occasions, he has "shown the unpleasant side" not only through his statements and actions, through which he has meddled in matters that go beyond his diplomatic duties, but because he has been openly biased in favor of Panamanian political opposition groups.

Ambassador Davis has put on the guise of an emperor, which does not fit him; and as in the William Tell story, has ordered the entire world to kneel down before him. Otherwise, one will have to shoot at apples placed on the heads of one's children.

Madness has transported the ambassador to a time and place that are not his own. Nevertheless, we cannot forgive the disrespect and the terminology such as IMMEDIATELY, which the new emperor takes pride in using, with the intention that Panamanians will bow, as he has ordered.

Perhaps Ambassador Davis believes that because the members of the oligarchy in our country are following him and accept all kinds of humiliations, he can do the same with the dignity of a nation that has proven through its history and its courageous sons that they have no fears of the monster if they must defend the national territory. Ambassador Davis seems not to be aware that his presence, instead of threatening us, causes true compassion because of his morals, his incapacity to perform as the representative of one of the superpowers in the world, his poor vocabulary, his unfamiliarity with our ways, and because of the sad role he has had to perform throughout his career.

Emperors no longer exist, and we recommend those like Ambassador Davis, who believe they can be emperors, go to their own jurisdiction in the northern country and leave Panamanians to live in peace.

NORIEGA WARNS JOURNALIST ABOUT 'DISINFORMATION'

PA010138 Panama City Televisora Nacional in Spanish 0026 GMT 1 Aug 87

[Text] [Panamanian Defense Forces] General Noriega held a brief meeting with international correspondents today at noon, and he asked them to respect Panama. The military commander said that foreign journalists are spreading disinformation about Panama, and added that they would not be allowed to do this in the United States. Commander Noriega specifically said that international press reports have talked about many deaths in Panama.

EXPELLED REUTER CORRESPONDENT LEAVES COUNTRY

PA012026 Buenos Aires REUTER in Spanish 1925 GMT 1 Aug 87

[Excerpts] Panama City, 1 Aug (REUTER) -- U.S. citizen Thomas Brown, REUTER correspondent in Panama, left that country today after the Panamanian Government supported by military men ordered him to leave within 24 hours.

The reasons for the expulsion of 34-year-old Brown were not released. He had been working for REUTER in Panama for 18 months. The expulsion took place at the climax of a campaign launched by government-controlled papers against Brown's coverage of the Panamanian political crisis. [passage omitted]

A Panamanian immigration official told REUTER yesterday afternoon that Brown would be facing "serious problems" if he did not leave Panama before 1600 (2100 GMT) on Saturday and that "his safety would not be guaranteed." [passage omitted]

Shortly before leaving the Omar Torrijos International Airport in Panama City, Brown told the press that he regretted the government's decision, "because I was objectively covering the news in Panama, including the current crisis; and I regret not being able to continue doing so."

"I sincerely hope to come back to Panama soon."

OIL WORKERS SIGN AGREEMENT WITH GOVERNMENT

PY030309 Madrid EFE in Spanish 2219 GMT 2 Aug 87

[Excerpts] La Paz, 2 Aug (EFE) -- Bolivian Government Oil Deposit (YPFB) workers today signed an agreement with the government to end the strike they began on 27 July.

According to government sources, the agreement includes favorable conditions for the workers, such as the postponement of the recent wage increase. [sentence as received] The agreement also ensures the normal supply of fuel and the resumption of administrative, productive, search, refining, and marketing activities. [passage omitted] The government believes the oil sector is a privileged one, since it has higher salaries than other Bolivian labor sectors.

LECHIN OQUENDO LECTURES COB, CRITICIZES PAZ

PY311514 La Paz La Red Panamericana in Spanish 1130 GMT 31 Jul 87

[Text] Juan Lechin Oquendo, former executive secretary of the Bolivian Labor Confederation [COB], said peaceful marches will not solve the serious labor problems of Bolivia. A radical plan of pressure must be implemented, the famous labor union leader told the media when questioned about the COB march that took place yesterday. This was the first march organized by the new COB Executive Board. Here are some recommendations Juan Lechin made to the new COB Executive Board.

[Begin recording] More pressure, more pressure. There is no other way. The people do not have weapons to defend themselves. The only solution the people have is to exert pressure, like strikes, demonstrations, and finally dialogue. If there is no general pressure, the government will not give in. [end recording] Afterward, Lechin said the only solution for Bolivian workers is for President Paz Estenssoro to leave the government and allow the executive branch to be presided over by Vice President Julio Garrett Ayllon.

[Begin recording] [Lechin] Of course, because President Paz has been harming this country for many years. A change of men implies a change of policy.

[Unidentified reporter] Constitutionally?

[Lechin] Of course. I stopped promoting coups when I learned about politics. That was just before 9 April 1952. Since then I have always rejected any agreement with the military sector. [end recording] In conclusion, Lechin said that if Julio Garrett becomes president of the Republic he will probably act like a leftist, favoring the workers.

[Begin recording] This is a matter of changing men. Garrett may [words indistinct] to the left or to the right when he speaks. However, a government change would force him to adopt measures to help solve the terrible situation of the Bolivian people. President Paz is not interested in the people. He never was. That is why we overthrew his second presidency. Of course General Barrientos' dictatorship came after that. At present, I do not think there are conditions for a coup. That is why President Paz is calm. We want a change nonetheless, but one that respects the Constitution. [end recording]

GUIMARAES SAYS IMF INTERFERENCE UNACCEPTABLE

PY310243 Brasilia Domestic Service in Portuguese 2200 GMT 30 Jul 87

[Text] After attending the meeting of the National Monetary Council, Finance Minister Bresser Pereira had lunch with the main leaders of the PMDB [Brazilian Democratic Movement Party] at the home of PMDB President Deputy Ulysses Guimaraes.

The lunch was attended by Deputy Luiz Henrique and Senators Fernando Henrique Cardoso, Mario Covas, and Severo Gomes. It provided an opportunity for Bresser to assess the results of his recent trip to the United States, where he met with Brazil's major creditors. Bresser's most difficult task, however, was to convince the PMDB leaders that Brazil might be able to reach an agreement with the IMF after an agreement is reached with the creditor banks.

At the conclusion of the luncheon, Deputy Ulysses Guimaraes, speaking on behalf of the party, said the PMDB will not accept any interference from the IMF in Brazil's economic policies, and that Bresser is going to have the part's full support to lead the negotiations with the international creditor banks.

ANGOLA APPLYING FOR $100-MILLION CREDIT LINE

PY290329 Rio de Janeiro O GLOBO in Portuguese 28 Jul 87 p 17

[Text] Brasilia -- Angolan Energy Minister Pedro de Castro doz Santos Van-Dunem, who is visiting Brazil, said Angola is applying for a $100-million credit line from Brazil. However, the construction of the Capanda hydroelectric powerplant, a project that is already under way, and the purchase of weapons, which has been given special treatment by the Angolan Government and by Engesa [Specialized Engineers, Inc.], are not included in this credit line.

As a compensation for the Brazilian credit line, the Angolan oil exports will be increased to 20,000 barrels per day. Angola currently exports 10,000 barrels per day to Brazil. Meanwhile, the increase in oil exports does not involve paying for short-term credits.

If Brazil approves the credit, the greatest advantage for the Brazilian companies would be that they will be able to participate in the Angolan development program.

During his 7-day visit to Brazil, Minister Pedro Van-Dunem will contact 15 companies -- among them, Braspetro [Petrobras International, Inc.] and Oderbrech [expansion unknown]. The latter, along with Mendes Junior, Interbras [Petrobras International Trade, Inc] and Petrobras, are responsible for building a portion of the Capanda hydroelectric powerplant.

Van-Dunem made it clear that the Angolan Government intends to strengthen bilateral relations with Brazil, which now is Angola's third largest trade partner. According to Van-Dunem, the goal is to make Brazil the main partner and not only in the commercial area. Studies are under way to promote an increased exchange with Brazil in the areas of personnel training and integrated regional development.

In the health field, the study recommends including the production of vaccines. In the personnel training field, there is a possibility for Brazilian instructors and professors to go to Angola.

FURTHER ON SAO PAULO PENITENTIARY RIOT

PY310240 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 30 Jul 87

[Excerpts] It has been confirmed that 30 people -- 29 prisoners and 1 guard -- were killed during the Sao Paulo prison riot.

The Sao Paulo penitentiary experienced more than 30 hours of tension and violence during this mutiny, one of the most serious in Brazilian history. Thirty people died and several were injured. The Military Police Strike Forces today returned to the penitentiary. [passage omitted]

This morning the extent of the mutiny began to become clear. By then, 28 deaths had been reported: 27 prisoners and 1 guard. Among the dead was Edson Alkmin, leader of the mutiny. Alkmin had been sentenced to 120 years in jail for repeated bank robberies. As the names of the dead still had not been reported, anxious relatives gathered in front of the penitentiary's gate. There were reasons for the relatives' anxiety: a fire was raging in parts of the penitentiary, and pavillions 1 and 2 were still in the hands of the mutinous prisoners. [passage omitted]

At 1330, journalists were allowed to enter the penitentiary for 15 minutes. The journalists were only allowed to film the damage caused in the administrative sector, where 30 hostages had been kept. The damage was extensive. [passage omitted]

Fabio Monteiro Gouvea, the judge in charge of state penitentiaries, said police intervention was the only way to control the mutiny. He admitted that several prisoners were shot to death. [passage omitted]

The Sao Paulo State government has already ordered an investigation into the deaths that occurred during the mutiny. The Military Police requested a trial.

The Sao Paulo government believes the strike forces had to be used. Justice Secretary Mario Sergio Duarte Garcia explained:

[Begin recording] There was no other way of ending the mutiny. The prisoners set fire to some parts of the penitentiary and would have burned the entire buildi g had we not interceded. [passage omitted] [end recording]

[Begin Security Secretary Luis Antonio Fleury Filho recording] If we had not entered the penitentiary before dark and taken it from the hands of the mutinous prisoners, some 300 or 400 prisoners would have escaped. Then the police would have clashed with the prisoners outside and many more would have been killed. [passage omitted] [end recording]

The current situation at the penitentiary is entirely calm. Here is a live report by reporter Maria Cristina Poli:

[Begin relay] The situation at the penitentiary is now entirely calm. The latest news is from the Institute of Forensic Medicine indicating that 14 prisoners were shot to death -- some of them in the head. Eight prisoners were stabbed and 6 were shot an stabbed with stilettos. The leader of the mutiny, Edson Alkmin, was stabbed 5 times. [end relay]

UNITED LEFT CALLS FOR ANTI-PINOCHET DEMONSTRATIONS

PY311901 Madrid EFE in Spanish 0149 GMT 30 Jul 87

[Text] Santiago de Chile, 29 Jul (EFE) -- The Command for the Struggle for Popular Demands and Free Democratic Elections of the Chilean coalition United Left (IU), today called for social mobilization against General Pinochet's regime.

The Command has urged the people to "demonstrate against misery, hunger and unemployment" between 28 July and 19 August, and for "popular demands and free and democratic elections," from 20 August to 11 September.

This call came in a press communique issued by the Command which comprises the IU parties: The Communist Party; the Socialist Party, Almeyda faction; The Christian Left; The United Poplar Action Movement; The Historic Socialists; and the Movement of the Revolutionary Left.

The parties of the Marxist left have announced they will also support the rally that the National Workers Command, one of the main workers organizations in Chile, has called for 19 August in Santiago.

NATIONAL VANGUARD SUPPORTS PINOCHET CANDIDACY

PY011629 Santiago Domestic Service in Spanish 1030 GMT 1 Aug 87

[Report from the Interior Ministry]

[Text] Benjamin Matte, president of the National Vanguard Movement, has expressed his support for the work carried out by President Pinochet and the Armed Forces. Matte, who also praised the 1980 Constitution, made this statement yesterday after a meeting with Interior Minister Sergio Fernandez.

Present at the meeting held at the interior minister's office were: Benjamin Matte; Carlos Portales, chairman of the movement's political board; Guillermo Clericus, chairman of the advisory council; Carlos Cruz Coke, secretary; Patricio Bildoso, treasurer; and Helena Fornelles, women's representative.

Matte said: The truth is that our candidate is the president. We admit this, but it is up to the commanders of the Armed Forces branches to decide this at the proper time. But Pinochet is our candidate. He added that if Pinochet is not proclaimed as candidate the National Vanguard will support the person appointed by the Armed Forces.

Matte said: We will support the man who is elected because he must be a man who represents the national programs, all political commissions, and all ideologies. Matte said that during their meeting with Fernandez they discussed the high utility rates which harm the poor. They submitted to the interior minister a study that seeks to resolve this problem, and the interior minister showed great interest.

Regarding those mayors who support National Vanguard and were dismissed from their posts last week, Matte said those are government officials and must work for Chile. Matte said: This government has no political party and, consequently, mayors must be above any political party. Those who do not understand this are mistaken.,

PINOCHET BLASTS OPPOSITION ECONOMIC PROGRAM

PY011657 Santiago Domestic Service in Spanish 1030 GMT 1 Aug 87

[Report from Curico]

[Excerpts] Speaking yesterday in Curico and alluding to the upcoming plebiscite, President Pinochet said the country is about to define its future. In this regard he said Chileans will have to choose between consolidating a modern nation or returning to the dark times of nationalizations.

The president was referring to the fateful efforts of the agrarian reform program, and he described as shameful those who hope to revive it. He also talked about the activities of opposition politicians. Pinochet made these comments during a meeting with representatives of varius Curico sectors. [passage omitted]

Pinochet praised the goals that have been achieved in different national sectors, particularly in the economic and social sectors, and he added:

[Begin recording] The opposition has taken up its economic program, which is characterized by socialism and nationalizations and denies the basic values of freedom. The socialist program undermines man's freedom, but that is not all. Its lack of [words indistinct] and fanaticism keep the opposition from acknowledging our achievements: the modernization of the production apparatus and the country's economic stability. [end recording] [passage omitted]

CHRISTIAN DEMOCRATS HOLD TALK WITH GOVERNMENT JUNTA

PY020358 Madrid EFE in Spanish 0105 GMT 2 Aug 87

[Text] Santiago, 1 Aug (EFE) -- Christian Democratic Party [PDC] President and former Foreign Minister Gabriel Valdes, who heads the largest party in Chile, revealed that "we have had talks with members of the government Junta." Valdes said: "We have explained to them our thoughts and if we have not succeeded it is not for lack of interest."

Valdes delivered his report today, shortly before his party's National Board, comprised of 240 members elected by the grassroots, is scheduled to decide on the party's political line for the next 2 years and to elect the new National Directorate.

Analyzing the events in the country during the last 2 years, Valdes said: "Since the 1973 coup, the PDC and the Chilean people have had to face one of the greatest challenges in the country's history, because the PDC, steeped in the tradition of democratic rights, found itself in an unnatural environment it had to adapt through an intense and complex process." He added: "The nation was violently placed on a different course which included a rapid process of liquidating political parties, labor unions, and many other structures of civilian society which guarantee democracy and respect for human rights."

According to Valdes, the PDC has a strategy to recover democracy which relies mainly on mobilization and negotiation." He added that "mobilization is a process of restructuring the social fabric around the specific needs of each sector, and negotiation is a political operation to restore civil rights."

In Valdes' opinion, the Armed Forces will be persuaded to negotiate "only when they see that all the people are determined to reassert their rights and will not retreat from their demand." He said that in the past the strategy has been to propose "a constitutional reform allowing for free elections, congressional elections, universal voter registration, a voting system, and laws governing both political parties, and antidemocratic deviations."

So this proposal can be heard, and in order to ensure the success of the strategy of mobilization and negotiation, Valdes called for an agreement among the political parties. After reviewing the advances made toward that agreement by the moderate socialists on the left and the republicans on the right, Valdes welcomed the new and positive attitudes of the "orthodox" socialists and the Christian left, pointing out that the communists "are excluded from that agreement by their own decision," since they have recently reiterated their position in favor of "popular rebellion."

In his call for unity, especially within his party, Valdes reasserted that "a party spiritually united can be in a better position to impose its will and to bring about the objective of ending the dictatorship." Conversely, he added "disarray within our party only helps the dictatorship stay in power."

Valdes then insisted that "there are only two ways to end the dictatorship." One is our way, which is supported by the majority of the people, and the other is armed struggle with its ambiguity of methods and objectives." He said that "the adventurist way sacrifices the poor and the young, instills doubts about the future, nurtures conservatism and anticommunism in its worst form, and gives the regime and the dictatorship a pretext by which to entrench themselves."

Noting that "the party cannot be identified as a collaborator with the dicatorship," Valdes called on the PDC "to persevere with a strategy of social and political mobilization, and a willingness to negotiate with the Armed Forces."

PRESIDENT SUBMITS LAW ON PROMOTERS OF VIOLENCE

PY301812 Santiago Domestic Service in Spanish 1030 GMT 30 Jul 87

[Text] President Pinochet submitted a draft bill to the Legislative Branch establishing penal punishments for those who violate Article 8 of the Constitution.

This bill seeks to punish organizations, movements, political parties and individuals who violate regulations established in Article 8 of the Constitution which declares illegal and contrary to the institutional order the promotion of violence, or of a totalitarian society, state, or of a legal order based on the class struggle.

At this time there are now laws on this matter, and, despite the fact there is a court decision declaring unconstitutional some organizations and movements in view of the ideologies they uphold and the ideas they promote, groups continue to operate completely ignoring this court ruling because there are not established punishments.

The draft law signed by the president was submitted to the government Junta where it will follow the normal procedure.

JUSTICE MINISTER ON 'INCAPACITY TO OFFER SECURITY'

PA021641 Paris AFP in Spanish 2053 GMT 29 Jul 87

[Text] Bogota, 29 Jul (AFP) -- Colombian Justice Minister Jose Manuel Arias admitted the state's incapacity to offer security to its people, when he justified today the appearance of self-defense groups in the country.

"Let us not tell lies. This is a terribly unsafe country in which the state's essential functions are being replaced by a series of forces and factors," Arias said.

Private self-defense groups comprised of peasants and landowners have been appearing recently in Colombia. Their members allege that they have been forced to become organized and arm themselves to defend their lands.

The legality of these groups has been seriously questioned recently and a true conflict has arisen. Nevertheless, some people justify the existence of these groups.

Defense Minister General Rafael Samudio, expressed his support for these groups, although he has repeatedly said that the military forces are capable of protecting the citizens' safety.

Gen Samudio said the groups are protected by the constitutional right of all citizens to defend themselves when attacked.

The same right was stressed by Justice Minister Jose Manuel Arias when he justified the existence of the self-defense groups.

Arias said: "It is a right that is implicit in culture and in the social and legal values of citizens." Arias stated that this right is part of the Constitution of other more developed countries that do not have a society in crisis, such as Colombia. To reassert his thesis, Arias said there are illegal armed groups such as the various guerrilla organizations, "which intimidate vast, unprotected sectors of our society."

Similarly, Minister Arias established a clear division between the so-called paramilitary groups and the new self-defense groups by pointing out that the former illegally uses uniforms and weapons, while the latter owns weapons by permit. He said that it is human instinct to defend oneself when attacked, and that this fact is undeniable. He added that he wonders how people would defend themselves without weapons. "For me it is only basic for people to defend themselves. I feel it is not advisable to create confusion about an individual's capacity to react to any kind of aggression," Arias concluded.

The conflict concerning these groups and their future effects on Colombian society reached a climax last week when the legal communist party of the Patriotic Union [name of party as received] requested the dismissal of the Colombian defense minister.

PRESIDENT DEFENDS PRESENCE OF U.S. RESERVISTS

PA312113 Quito Voz de los Andes in Spanish 1130 GMT 28 Jul 87

[Text] Ecuadoran President Leon Febres Cordero said the memorandum of agreement signed by the defense minister and the U.S. colonel who is responsible for the reservists working in the eastern sector of the country does not violate any laws. This is because Ecuador has not ceased to be sovereign, independent, democratic, and unitarian despite having accepted international help to complete a priority project. In a letter to Congress President Andres Vallejo, President Febres Cordero said: It is the legal and moral duty of the government over which I preside to see that the agreement is respected. Febres Cordero said the Ecuadoran Government and its constitutional president will honor their word. He said the Congress has no right to demand, ask, request, or urge the president of the Republic to do anything.

COMPLETION OF PIPELINE REPAIRS SCHEDULED MID-AUG

PA312125 Quito Voz de los Andes in Spanish 1130 GMT 28 Jul 87

[Text] Mines and Energy Minister Javier Espinosa said the first phase of repairs on the oil pipeline will be completed in mid-August.

[Begin recording] [Espinosa] A few weeks ago we were very worried, but over the last 8-10 days a huge effort has been made, and the weather has cooperated. The technicians advised me that the pumping will begin in mid-August.

[Unidentified reporter] Mr Minister, will there be a slight increase in the price of oil?

[Espinosa] Quite the contrary. Last week I was asked the same question and I said there was a good chance there will be a decrease in the price of oil. The increase we experienced over the past few weeks was due to the situation. There were problems in the Persian Gulf, and there were problems among the OPEC members. They finally agreed that the price of their crude would be between $18 and $20, and the production level is now returning to normal.

[Reporter] When will the Amazonas Refinery begin operating?

[Espinosa] I am pleased to inform you that this week, today, we began to produce gasoline, diesel, and other products. The refinery will be officially inaugurated on the 30th. All the work and tests have been completed, and the eastern sector of Ecuador will be receiving a full supply of fuel. On 4 August we will begin drilling in the eastern sector; we are also drilling in Manabi, in [word indistinct] Province, and are doing some offshore drilling. We are not worrying only about the situation and ecology in the eastern sector of the country. We are also worrying about many other areas.

We will inaugurate electrification projects in 26 Indian communities in Chimborazo Province. These projects will be inaugurated on 7 August. We are also working on several other projects. [end recording]

PARTY VICE PRESIDENT OPENS COLORADO CONVENTION

PY011437 Asuncion Red Privada de Television in Spanish 1225 GMT 1 Aug 87

[Report from Colorado Party Headquarters in Asuncion -- live]

[Excerpt] [Unidentified reporter] Ladies and Gentlemen, this preliminary session is being presided over by Sabino Augusto Montanaro in his capacity as vice president of the Colorado Party Executive Board. Now we will hear Sabino Augusto Montanaro.

[Montanaro] Fellow party members, in my capacity as first vice president of the executive board and in view of the absence of the party president [Juan Ramon Chaves] who has just left, I hereby declare the convention open. [appaluse] Since I, as well as the second and third vice presidents of the board, AMA member of one of the slates running for the party leadership, I proposed that the convention choose a conventioneer to preside over the preliminary deliberations. [applause] Conventioneer Nicasio Ortellado, representing Colorado Party Precinct No 8, please take the floor.

[Ortellado] Fellow conventioneers, in view of Dr Montanaro's justified proposal, I hereby propose that Senator Enrique Revcerchon -- conventioneer representing Encarnacion -- be elected the acting president of this convention. [applause]

[Reporter] [Words indistinct] conventioneer representing Encarnacion, national Senator Ramon Enrique Reverchon, so he may preside over the preliminary session of the Colorado Party Executive Board.

[Montanaro] Conventioneer Genaro Espinola now has the floor.

[Espinola] Mr President, fellow conventioneers, I just want to say that as legitimate representatives of the Colorado Party we will legally reach a decision in response to the ethical reasons given by Dr Montanaro, who has excused himself from assuming the provisional presidency of the convention because he is the candidate of one of the slates. Therefore, in my capacity as convention member, I support Ortellado's motion that Encarnacion conventioneer Ramon Enrique Reverchon be the provisional president of this convention. [applause]

[Montanaro] I understand the applause represents the approval of the proposal made by Ortellado and supported by Genaro Espinola. Therefore, Enrique Reverchon please take the podium. [applause]

[Reporter] Enrique Reverchon, conventioneer representing Encarnacion, will now take his place as provisional president of this convention. [passage omitted]

Party Recesses for Balloting

PY011846 Asuncion Red Privada de Television in Spanish 1745 GMT 1 Aug 87

[Speech by Colorado Party Convention Chairman Ramon Enrique Reverchon to conventioneers at Colorado Party headquarters in Asuncion -- live]

[Excerpts] [Passage omitted] The 12 voting tables where conventioneers will vote [for the new Colorado Party Executive Board] have hereby been established. The chairman has established that six voting tables will be located in the left gallery, and six in the right gallery. I am inviting those conventioneers who have been appointed to vote to go to these tables and fulfill their task in a disciplined and enthusiastic fashion. Moreover, the presidents of each voting table and the conventioneers who have been appointed to assist at the voting tables will jointly scrutinize the ballot boxes. They will count all the votes that have been deposited in each ballot box, and they will submit their report in writing -- signed by all the supervisors of the table -- to the chairmanship of the convention.

I repeat: the presidents of the voting tables and their assistants will scrutinize the votes in each of the ballot boxes they are in charge of. Immediately afterward, they will submit a report in writing to the chairman on the vote count. Conventioneers must show the proper credentials prior to casting their ballots. [passage omitted]

The chairmanship hereby declares a recess while the voting takes place. [passage omitted]

Montanaro Slate Wins

PY012004 Asuncion Red Privada de Television in Spanish 1910 GMT 1 Aug 87

[Address by Colorado Party Convention President Ramon Enrique Reverchon to Colorado Party conventioneers at Colorado Party headquarters in Asuncion -- live]

[Text] Following is the result of the vote count at the Colorado Party Headquarters:

Total number of votes cast, 655, of which 574 were for the Sabino Augusto Montanaro slate [applause], and 81 for the Leandro Prieto Yegros slate [applause].

[Unidentified convention member gets up to cheer for General Alfredo Stroessner and the Golden Foursome [Cuatrinomio de Oro]: Sabino Augusto Montanaro, Adan Godoy Gimenez, Mario Abdo Benitez, and Eugenio Jacquet]

Messrs convention delegates, in view of these results, in my capacity as president of the convention and exercising the authority vested in me by the party statutes, I hereby proclaim the slate headed by Sabino Augusto Montanaro winner of this election. [lengthy applause]

I request that the convention members be seated and we will now read the members names of the winning slate:

Honorary president: General Alfredo Stroessner [applause and cheers by unidentified convention members]

Members of the Executive Board: Sabino A. Montanaro, General Cesar Barrientos, General Marcial Samaniego, Ezequiel Gonzalez Alcina, Adan Godoy Gimenez, Saul Gonzalez, Mario Abdo Benitez, Bacon Duarte Prado, Luis Martinez Miltos, Jose Eugenio Jacquet, Alejandro Caceres Almada, Cesar Romero Acosta, Agustina Miranda Gonzalez Pastor M. Coronel, Oscar Zacarias, Martin Chiola, Carlos A. Ortiz Ramirez, Luis A. Peralta Baez, Antonio Vera Valenzano, Silvio Meza Britez, Miguel Angel Lopez Gimenez, Iran Delgado Von Lepel, Gen Juan A. Caceres, retired, Hernando Bertoni, Delfin Ugarte Centurion, Manuel M. Esquivel, Francisca D. Martinez, Raul E. Villalba, Jose Martin Celipi, Ramon Enrique Reverchon, Hubaldo Centurion Morinigo, Juan Ramirez Garcia, Juan E. Pereira, Ramon Aquino, Juan Pablo Romero

Alternate Members: Roberto Velazquez Escobar, Aurelio Paredes, Francisco Solano Benitez, Nicacio Ortellado, Vicente Bataglia, Cesar Palacios, Nicanor Alfredo Molinas, Genaro Espinola, Mario Pastor Almada, Juan M. Cameron Montanaro, Dario Filartiga, Luis A. Servin Blaires, Julian Chaparro Abente, Eligio Tomas Franco, Modesto Acosta Perez, Antonio Colman Rodriguez.

Montanaro Addresses Convention

PY012043 Asuncion Red Privada de Television in Spanish 1940 GMT 1 Aug 87

[Speech to Colorado Party Convention by Augusto Sabino Montanaro from Colorado Party Headquarters in Asuncion -- live]

[Text] Mr Convention President Dr Ramon Enrique Reverchon, distinguished convention delegates from Asuncion and the Republic, Messrs ministers of the executive branch, fellow party members, men and women:

As we have said from the beginning as members of the Colorado Party from the militant and Stroessnerist faction, I ran for the presidency of the Party Executive Board with a group of party members whom I represent today. They are the 35 elected members of the Party Board and the 16 alternate members. I speak for them when I tell you once again, at this moment of triummph, that in our capacity as Colorado Party members and Paraguayans in the service of a 100-year-old political party, we have reached the top leadership to serve a longsuffering, patriotic, and simple people. We have reached this leadership, above all, to continue to be loyal to the president of all Paraguayans, General Alfredo Stroessner. [applause]

Drawing inspiration from the spirit of unity that was forged on 27 October 1955 under the auspices of our leader President Alfredo Stroessner, and hand in hand with all the fellow party members, men and women, as well a with the valiant Colorado Party youth, who today more than even wait for counsel from their elders, I can tell all of you to be sure that our strength, ability, intelligence, and spirit will always be at the service of the Colorado people, the Colorado peasants, the Colorado students. [applause]

We want to take over the Executive Board of the Colorado Party to energize the Party's life, to listen to the peasants, to meet the needs of the students, to bring together the ranks of men and women, workers and students, who, guided by President Stroessner from the Government House, have forged the days of peace, welfare, progress, and work, which the Paraguayan nation is enjoying, thanks to the Colorado Party and President General Alfredo Stroessner. [applause]

Therefore, with simplicity and modesty, and a broadly victoriouis spirit which we have had since the first day of our electoral campaign, I can tell all the Colorado Party people and all the men of good will in our fatherland that we will always be at the service of the party, the people, and the Colorado government of President Alfredo Stroessner. [applause]

Finally, fellow party members, men and women, we affirm today in the courtyard of the Colorado Party Headquarters the prodigious troika of Paragay's awakening. This troika, comprised of the Colorado government of President Alfredo Stroessner, the National Republican Association [Colorado Party] and the glorious Armed Forces of the nation, will continue to guide the Paraguayan people through days of happiness and peace. [applause]

Long live President Stroessner, long live the Colorado Party, long live the convention delegates from the entire country. Thank you very much. [applause]

MOPOCO COMMUNIQUE DENOUNCES MILITANT TAKEOVER

PY030059 Asuncion HOY in Spanish 2 Aug 87, Special Supplement, p 8

[Text] The Colorado Popular Movement (MOPOCO) (Convergency Movement) issued a communique immediately after the militant faction attacked the party junta. The communique states that "the brutal and shameless attack staged this morning against the ruling party convention, perpetrated by the Stroessner hordes to remove the traditionalist faction from the party leadership, is similar to the series of attacks that followed the coup on 29 and 30 May 1957, when party regulations were trampled on.

The communique adds: "From an impartial viewpoint, and without taking into account the historical facts that have motivated our struggle since that date, it is certainly beyond all doubt that the current situation is the responsibility of the so-called "Colorado-combative-Stroessnerist" sector. This faction staged the attack with the direct complicity of the the dictatorship, as was revealed by the open intervention of police and by the use of the state apparatus. An example of this use is the silencing of all information on the traditionalist faction's reaction and for disseminating partial and false information on those who are nothing but the direct agents of the dictatorship."

"Today," the communique continues, "marks the official appearance of the Stroessnerist party.' This party, created over a long period, will try in vain to call itself Colorado, because neither the bayonets nor the henchmens rifles of the autocrat, or all the gold stolen by the corrupt gang of the immoral palace entourage will succeed in buying, either through terror or privilege, the unyielding conscience of those who are true Colorados."

The communique adds that "we also respect, with great optimism, that the traditionalist sector will end their commitment to the autocratic regime and that either its members or the movement as such will resolutely join the struggle of the Colorado dissidents, joining the ranks of the Colorado Convergence. They will be received without recrimination, despite the fact that many of its supporters are currently in the dictatorship's jails, paying for their unyielding republican faith and their noble ideals of freedom and democracy."

The communique concludes by stating that "the Colorado Popular Movement (Convergence and Unity Movement) calls upon Colorado Party members all over the country to extend their full support in the effort to vindicate the Colorado Party principles, which have been trampled on, and to firmly wave the banners of the ethical tenets, principles, and ideals with which our association was born 100 years ago."

GARCIA ADDRESSES JOURNALISTS ON BANKING MEASURES

PA020545 Lima Television Peruana in Spanish 0100 GMT 2 Aug 87

[Statements by President Alan Garcia to journalists in Villa El Salvador on 1 August -- recorded]

[Text] [Reporter] What comment can you make about the way in which your announcement has been received and the government's decision on the nationalization of banking?

[Garcia] I think it has been received with great satisfaction by the people, the progressive sectors, the middle class, the professionals, because they see it as proof that this is a democratic and revolutionary government. We need to rule for the great majorities and for justice and equality. The concentration of a very large amount of power in very few hands always harms a democracy and prevents justice and equality, which are the great objectives of government.

We wish to decentralize banking. We want to democratize the loan process by having loans without conditions for the small and medium industries and national businessmen. The current situation in our country is that large enterprises concentrate on certain banks that sometimes use the people's savings only to benefit those large enterprises for the clients that come to them through the years. This is incompatible, it does not go well with social justice and the democracy of a government that rules for the majorities and for change. In that sense, I feel we took a decisive step when we submitted this proposal. I know how important it is and I know the enormous interests it is affecting, but I want to tell you that I am determined, and I know that APRA [American Popular Revolutionary Alliance] is also determined to carry out this proposal to its conclusion and its realization. Peru has to be for all Peruvians. Democracy must be a transforming and revolutionary force.

Now, I want to say there are many who utter criticisms, especially through the news media, defending their own interests. These are the interests of the great riches, the interests of the great inequality. This is permissible within a democracy. When a step is taken, everybody has a right to express their opinion, a right to express themselves, a right to criticize by using the freedom of the press.

The government's decision, however, is to carry this through to its completion. We very much respect the fact that the large interests stress their points of view, we also say the objectives of this proposal are decentralization and democratization of credit and the prevention of high concentrations of money, which are always very unjust. We say before the entire country that this is not a totalitarian measure because it is implemented by a government elected by a large majority of Peruvians. It is not a totalitarian measures to seek equality and justice among Peruvians. This is a measure that has been submitted as a proposal to the sovereign Congress that will determine whether nor not it gets approved, and it is a measure that is supported by the Constitution of the Republic.

I have said that I have no weapon with me and that nothing defends me, only legality and the Constitution. It is true that the right to own property exists in Peru, but only to own property in harmony with social interest; to own property in harmony with justice and equality among Peruvians. The Constitution itself stipulates that the state can reserve activities for the state and government to conduct itself; for example, banking, so that banking does not become a way to dominate, by means of the money from national savings, those who produce, the merchants, forcing them to pay interests and commissions, or dominating large productive sectors through the banks. We need, therefore, to make it very clear that this is not an act of a totalitarian government that has come in through the back door into the palace of government. We came in with the people. The people will decide later, when another government is elected, whether or not to maintain this measure. The people, through their parliamentary representatives, will approve or disapprove this measure, so all of this has been done within the law and in accordance with the Constitution. As I said before, it is allowable to reserve certain financial activities to be performed by the state, when social interests so demand it, and it is also allowed to seize in an emergency manner, and for a certain period of time, some financial activities.

We have done both. I have submitted a draft law to parliament, and second, while this draft law is being discussed, and so that no dirty play is done in the institutions, we have seized in accordance with Article 132 of the Constitution, all banks. This has been objected to and brought before a judge, and I understand that a judge has ruled that there must not be seizures. One must very clearly point out two things: first, the main measure, which consists of the nationalization of all credit and banking, and the temporary measure that consists of taking control until the law is approved.

An injunction has been filed regarding this temporary measure, and we will see what the judicial proceedings say. But I reiterate before all of you that our decision concerning democracy, concerning the quality of Peruvians, concerning a deep transformation of Peru so that it will not belong only to the few very rich, is irreversible. It is my will and my decision to bring about a democratic revolution in the country. I say that democracy has to be revolutionary, democracy must be daring. We cannot live in fear, we cannot live by respecting large injustices. The Peruvians have not elected me for that. I would be a betrayer of the will of the majority of Peruvians, who mostly belong to the middle class and to the popular sectors, if I did not take the decisive steps of change that we are now taking.

Now, I have heard that this measure, the nationalization of credit and banking will result in there being no more investments in Peru. This is really an erroneous argument and I would say an ill-intentioned one; this is the way in which the interests being affected -- which are very few but very big -- are trying to use tens of thousands of merchants and industrialists as a shield. This measure is, on the contrary, seeking to liberate the producers, the industrialists, the merchants, from the domination of the large financial institutions. Secondly, nobody can doubt that if in 1986 we grew more than 8 percent -- a growth that we had not had for almost 30 years -- that it is due to the government's supportive attitude of the productive investment, and the government's support for all those who really work. But it is one thing to work productively in a factory, in a mine, in an agricultural field, and another thing to work using the bank as a tool, a go-between, between those who save and those who borrow, and those who make a profit only by moving money; this is not productive work.

So, by this long explanation I reiterate that the democratic will is also a will to bring about profound and revolutionary changes and I am sure that the majority of the nation supports this measure.

Nationalization 'Irreversible'

PA020229 Madrid EFE in Spanish 0112 GMT 2 Aug 87

[Text] Lima, 1 Aug (EFE) -- Peruvian President Alan Garcia said today that the nationalization of banks, insurance companies, and financial companies is irreversible and will benefit the poorest sectors in Peru.

Referring to the court ruling that orders the suspension of nationalizing those sectors -- after Judge Eduardo Raffo, of the 10th Civil Court in Lima, accepted the injunction presented by the affected sectors -- the president said that the nationalization was legally implemented yesterday.

The president stated: We will have to wait until the legal procedures are implemented. Garcia said that the announcement about the nationalization, which must still be approved by the parliament, has been welcomed by the country's progressive sectors.

The secretariat of the presidency of the Council of Ministers issued a communique pointing out that the nationalization of banks, financial companies, and insurance companies will continue.

The communique states that the government has received no legal notification to suspend the nationalization, and says that the report which states that a judge has ruled in favor of the banks is "totally incorrect."

The communique also criticizes the fact that the news media was notified first about the legal ruling and concludes by saying that the government will defend its rights and resort to all the means granted by law to defend its position.

Furthermore, Francisco Pardo Mesones, president of the Banking Association of Peru, said in a news conference that they hope the government will "enforce and abide by" the judge's ruling which orders the suspension of nationalization.

Pardo Mesones said: This way we will return to work on Monday. He indicated that his association will sponsor a national debate to determine if Peru's economic problems may be solved by nationalizing Peru's financial system.

Economy Minister Gustavo Saberbein tonight replied to the Banking Association's statements by saying that he has not been notified about a suspension, and asked the news media to treat these matters more seriously.

He added that the nationalization will continue normally while Justice Minister Carlos Blancas said the nationalization does not violate the law or the Constitution, as the affected sectors claim.

Nevertheless, the Peruvian newspapers published today the text of Judge Raffo's ruling and a newspaper even referred to the injunction presented by the nationalized sectors by stating: "The Empire Strikes Back."

Council of Ministers Statement

PA020639 Lima Television Peruana in Spanish 0100 GMT 2 Aug 87

[Peruvian Council of Ministers statement read by announcer; date, place of statement not given]

[Text] Since some news media have reported that a judge in Lima has allegedly ruled in favor of an injuction filed by the representatives of some banks against the seizure decreed by the government, the public is hereby informed as follows:

1. The government has not received any type of judicial notice concerning the suspension of Supreme Decree No 158-87-EF, ordering the seizure of banks, finance, and insurance companies. The confirmation that a judge has ruled in favor of the injunction filed by the representatives of the seized banks is totally false.

2. The fact that the alleged ruling has been divulged to the news media first, would suffice to show the deliberate attempt to confuse and frustrate the nationalization process of the financial system initiated by the government in accordance with the stipulations of the Constitution.

3. On the contrary [as heard] both the Minister of Economy and Finance, and the attorney in charge of the Ministry's legal affairs have received a document dated 31 July 1987 notifying them of the ruling handed down by the judge of the 18th Civil Court of Lima, on the injunction submitted by a stockholder of El Progreso Financial Company, and the rejection of the request to temporarily suspend the seizure of the enterprises affected by Supreme Decree No 158-87-EF.

4. The state will enforce, within the respective judicial procedure, the constitutional and legal bases that justify its decision, and will use all the resources allowed by law to affirm the process of nationalization of the financial system as a necessary tool to achieve economic justice.

5. Therefore, the seizure of banks, finance, and insurance companies continues, in accordance with the stipulations of Supreme Decree No 158-87-EF.

[Signed] Dr. Javier Sotomayor, Secretary General, Presidency of the Council of Ministers.